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Social Security Bulletin

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U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE · Social Security Administration

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In this issue:

Social Security in Review

MONTHLY BENEFITS UNDER the old-age, survivors, and disability insurance program were going at the end of July to almost 14.4 million persons—114,000 more than at the end of June. About two-thirds of the increase was in benefits to old-age (retired-worker) beneficiaries and their dependents, one-eighth was in benefits to disabled-worker beneficiaries and their dependents, and one-fifth in survivor monthly benefits. The $899.1 million being paid in monthly benefits at the end of July was 1 percent higher than the monthly rate at the end of June.

During July, monthly benefits were awarded to 188,000 persons, about 15,000 fewer than in June. The total includes awards to 13,600 disabled workers and to 8,400 dependent wives, husbands, and children of disabled workers—a small increase from the number awarded in June. A decline in other types of awards, however, more than offset this gain. Lump-sum death payments totaling $13.4 million were awarded to 66,100 persons. The average lump-sum amount per worker was $210.64.

	July 1960	*June 1960*	*July 1959*
Old-Age, Survivors, and Disability Insurance			
Monthly benefits in current-payment status:			
Number (in thousands)	14,376	14,261	13,288
Amount (in millions)	$899.1	$889.9	$813.7
Average old-age benefit (retired worker)	$73.79	$73.63	$72.32
Average old-age benefit awarded in month	$85.14	$82.55	$81.44
Public Assistance			
Recipients (in thousands):			
Old-age assistance	2,355	2,359	2,414
Aid to dependent children (total)	3,006	3,023	2,911
Aid to the blind	108	108	109
Aid to the permanently and totally disabled	365	363	341
General assistance (cases)	354	367	370
Average payments:			
Old-age assistance	$68.23	$67.90	$64.44
Aid to dependent children (per recipient)	29.22	29.10	28.39
Aid to the blind	72.79	72.81	69.11
Aid to the permanently and totally disabled	66.21	65.74	63.24
General assistance (per case)	66.52	67.44	66.74

Most Suspensions Result From Beneficiaries' Employment

Monthly benefits were being withheld at the end of June 1960 from 378,000 persons entitled to old-age, disability, wife's, husband's, widow's, widower's, mother's, or parent's benefits. The number withheld dropped from 400,000 at the end of 1959 to a low of 375,000 in March, climbed to 384,000 in May, and then declined to 378,000. The beneficiaries whose benefits were being withheld at the end of June represented 3.0 percent of all adult beneficiaries entitled to benefits—0.3 percentage points less than the proportion at the end of 1959 but about the same as that in June 1959.

About 81 percent of the benefit suspensions in effect in June 1960 resulted from the employment or self-employment of beneficiaries under age 72; almost 11 percent were wife's or husband's benefits withheld because the old-age beneficiary was working. Benefits were withheld from 840 persons because the beneficiary or the old-age beneficiary on whose earnings the wife's or husband's benefits are based was working in noncovered employment outside the United States. Because the beneficiary did not have in her care a child entitled to benefits, almost 6,400 young wife's or mother's benefits were suspended. Payments to 4,100 persons were held up temporarily pending determination of the proper payee. About 975 disability insurance benefits and 135 wife's or husband's benefits were withheld while the current disability status of the disabled-worker beneficiary was being examined.

Fewer Persons Receiving PA

In July the total number of persons aided under the five public assistance programs declined 56,000 to 6.7 million. About two-thirds of the net

drop occurred in the State and/or locally financed programs of general assistance. Aid to dependent children, which had declined in June for the first time in 10 months, showed a decrease in July of 17,000 or 0.6 percent in the number of recipients. The caseloads for old-age assistance and aid to the blind dropped slightly. The upward trend in the number of recipients of aid to the permanently and totally disabled continued, with an increase of 1,800 or 0.5 percent.

The largest percentage changes in State caseloads were, as usual, in the general assistance programs. Eight out of 10 States reported fewer cases than in June. In aid to dependent children, nearly three-fourth of the States reported decreases in the number of recipients, but most of the national decline was concentrated in Arkansas, Florida, Missouri, North Carolina, Oregon, and Texas. In Arkansas, North Carolina, and Oregon the declines were related to policies withdrawing assistance from recipients for whom seasonal employment was presumed to be available. State changes in caseloads were small for the other special types of public assistance.

Expenditures Lower for GA

Total assistance expenditures, including vendor payments for medical care, dropped $823,000 or 0.3 percent, reflecting largely the decrease in payments for general assistance. For that program, total payments, excluding vendor payments for medical care, declined $1,160,000 or 4.7 percent. The next largest change in payments—an increase of $521,000 or 0.2 percent—occurred in old-age assistance.

Nationally, the average payment per recipient of the special types of assistance showed little change from June to July. The average payment per general assistance case decreased 92 cents.

Among the States, some of the sizable changes in average payments for the special types of public assistance were attributable to fluctuations in amounts of vendor payments for medical care. A few noticeable increases resulted from liberalizations in program policies. For each of the four programs, Kentucky raised maximums on payments to recipients, increased standards of assistance, and began meeting a higher proportion of budget deficits. Maximums were raised in old-age assistance and aid to the permanently and totally disabled in Mississippi and in aid to the blind in South Carolina. Nevada increased the standards of assistance for recipients of old-age assistance.

Mississippi, to conserve funds in aid to dependent children, reduced from 40 percent to 34 percent the proportion of the budget deficit met. The average payment per recipient decreased $1.20.

	July 1960	*June 1960*	*July 1959*	*Calendar year 1959*	*Calendar year 1958*
Civilian labor force,[1] total (in thousands)	72,706	73,002	71,338	69,394	68,647
Employed	68,689	68,579	67,594	65,581	63,966
Unemployed	4,017	4,423	3,744	3,813	4,681
Personal income (in billions, total seasonally adjusted at annutal rates)[2 3]	$407.1	$406.1	$386.9	$383.3	$360.3
Wage and salary disbursements	274.6	274.0	261.5	258.2	239.7
Proprietors' income	48.5	48.6	47.2	46.5	46.4
Personal interest income, dividends, and rental income	53.5	53.2	49.3	49.2	45.4
Social insurance and related payments	23.0	22.7	20.7	21.2	20.4
Public assistance	3.2	3.2	3.1	3.2	3.0
Other	13.7	13.6	12.9	12.8	12.3
Less: Personal contributions for social insurance	9.3	9.3	7.9	7.8	6.8
Consumer price index,[2 4] all items (1947–49 = 100)	126.6	126.5	124.9	124.6	123.5
Food	120.6	120.3	119.4	118.3	120.3
Medical care	156.4	156.1	151.0	150.8	144.6

[1] Bureau of the Census and Bureau of Labor Statistics. Beginning January 1960, data include Alaska and Hawaii.
[2] Data exclude Alaska and Hawaii, except that personal income includes pay of Federal personnel stationed abroad.
[3] Data from the Office of Business Economics, Department of Commerce. Components differ from those published by the Department, since they have been regrouped; for definitions, see the *Annual Statistical Supplement, 1958*, page 1, table 1.
[4] Bureau of Labor Statistics.

Social Security Legislation in the Eighty-sixth Congress

by WILLIAM L. MITCHELL*

The Social Security Amendments of 1960 and related legislation enacted by the Eighty-sixth Congress make a number of technical improvements and several important substantive changes in the social security programs—notably a new program of medical assistance for the aged and broader disability protection.

The most controversial provisions, dominating public interest and discussion, were those relating to medical care for the aged. The highlights of the legislative development of the medical care provisions, as well as the details of the provisions adopted, are presented in Part I of this article. Part II gives the details and legislative history of the other provisions of the 1960 amendments to the Social Security Act and of other legislation affecting the social security programs.

WITH THE SIGNING on September 13, 1960, of H. R. 12580, the Social Security Amendments of 1960 became Public Law 86–778. They make revisions—some major and some technical—in all the programs under the Social Security Act.

SUMMARY OF MAJOR PROVISIONS

Old-Age, Survivors, and Disability Insurance

The major changes made by the 1960 amendments in the old-age, survivors, and disability insurance provisions are listed below.

1. Disabled workers under age 50 and their dependents can now qualify for benefits on the same basis as workers aged 50–64 and their dependents.

2. A change in the retirement test (effective for taxable years that begin after 1960) makes the test more equitable and improves its effect on incentives to work. The amendment eliminates the requirement for withholding a month's benefit for each $80 of earnings above $1,200 and provides instead for withholding $1 in benefits for each $2 of earnings from $1,200 to $1,500 and $1 in benefits for each $1 of earnings above $1,500. As under the previous act, no benefits are withheld for any month in which the beneficiary neither earns wages of more than $100 nor renders substantial services in self-employment.

3. The requirements for fully insured status are changed to 1 quarter of coverage for every 3 calendar quarters between January 1, 1951, and the year in which the worker becomes disabled, reaches retirement age, or dies (but not less than 6 or more than 40 quarters) instead of 1 for every 2 quarters.

4. A disability insurance beneficiary or childhood disability beneficiary is allowed a period of 12 months of trial work during which his disability benefits or freeze will not be terminated solely because of such work. Benefits for the beneficiary who recovers from his disability will be continued for the month in which his disability ceases and for the 2 following months.

5. Persons who become disabled within 5 years after termination of a previous period of disability can qualify for benefits without undergoing another 6-month waiting period.

6. The benefits paid to each child of a deceased worker have been increased to three-fourths of the primary insurance amount of the deceased worker (subject to the maximum on benefits payable to a family). Under the provision previously in effect, the benefit of each child was one-half the primary insurance amount plus one-fourth divided by the number of children.

7. Benefits are provided for the survivors of workers who had acquired 6 quarters of coverage and who died before 1940.

8. Benefits are payable under certain circumstances to a person as the wife, husband, widow,

*Commissioner of Social Security.

or widower of a worker if the person had gone through a marriage ceremony in good faith in the belief that it was valid when it was not, if the marriage would have been valid had there been no impediment, and if the couple had been living together at the time of the worker's death or at the time an application for benefits was filed. The child or stepchild of a couple who have gone through such a marriage ceremony can also get benefits.

9. The duration-of-relationship requirements that apply when a worker is alive are now the same as the requirements that apply when a worker has died. Benefits are payable to a wife, husband, or stepchild on the basis of a disabled or retired worker's earnings if the necessary relationship had existed for 1 year rather than for 3 years.

10. The coverage provisions of the program are changed to (a) extend coverage to service (other than domestic service or casual labor) performed by an individual in the employ of his son or daughter; (b) facilitate coverage of additional State and local government employees; (c) extend coverage under the self-employment provisions to services performed in the United States after 1959 by United States citizens in the employ of foreign governments, instrumentalities of such governments, or international organizations; (d) extend coverage to the territories of Guam and American Samoa; (e) provide an additional opportunity, generally until April 15, 1962, for ministers and Christian Science practitioners who have been in practice at least 2 years to elect coverage; (f) eliminate the requirement that two-thirds of the employees of a nonprofit organization must concur for the organization to elect coverage for concurring employees and all employees hired in the future; (g) permit employees or their representatives or survivors to obtain credit for certain earnings reported by nonprofit organizations that failed to comply with the requirements for extending coverage to these employees.

11. The method of financing the program has been strengthened by changes designed to make the interest earnings of the trust funds more nearly equivalent to the rate of return on Government bonds bought in the open market.

12. Other changes, mostly of a technical nature, were made to simplify the law and make it fairer and to facilitate the administration of the program.

Public Assistance

The major provisions of the Social Security Amendments of 1960 that affect the public assistance program relate to medical care for the aged and are as follows:

1. Title I of the Social Security Act is expanded to include a new program providing grants-in-aid to States for medical assistance in behalf of aged persons who are not recipients of old-age assistance but who have insufficient income and resources to meet the costs of necessary medical services. Federal sharing will range from 50 percent to 80 percent under a formula based primarily on per capita income.

2. Federal sharing in State old-age assistance expenditures for medical care in behalf of recipients is increased.

3. Provision is made for the preparation of guides or recommended standards for State use in evaluating and improving the level, content, and quality of medical care in their programs of public assistance and medical assistance for the aged, as well as the collection and publication of information on these matters.

Maternal and Child Health and Child Welfare

The major changes in the provisions of title V under the 1960 amendments to the Social Security Act are as follows:

1. The amounts authorized for annual appropriation are increased to $25 million for each of the three programs—maternal and child health services, crippled children's services, and child welfare services.

2. A new program, and a separate appropriation, is authorized for grants to public or other nonprofit institutions of higher learning and to public or other nonprofit agencies and organizations engaged in research or child welfare activities, for special research or demonstration projects in the field of child welfare that are of regional or national significance and for special projects for the demonstration of new methods or facilities that show promise of substantial contribution to the advancement of child welfare.

I. Medical Care Provisions of the Social Security Amendments of 1960

THE POSSIBLE expansion of the old-age, survivors, and disability insurance program to include hospitalization and nursing-home service benefits for aged and other beneficiaries had been discussed during the consideration of the 1958 amendments to the Social Security Act by the Eighty-fifth Congress. A bill introduced by Representative Forand, with medical care provisions almost identical with H. R. 4700 (the bill that he introduced in the Eighty-sixth Congress and that is described below), was actively under consideration and was discussed by most of the witnesses who testified at public hearings relating to the social security programs. The Committee on Ways and Means of the House of Representatives concluded, however, that more information was needed before any legislation in this field could be recommended. The Committee consequently asked the Secretary of Health, Education, and Welfare to make a study and report on possible ways of providing insurance against the cost of hospital and nursing-home care for old-age, survivors, and disability insurance beneficiaries and on the benefit costs and administrative implications of the different alternatives.

Such a report [1] was submitted to the Committee in April 1959. It brought together information on the characteristics of the aged population, their income and assets, their utilization of medical services, and the extent to which they are covered by voluntary health insurance. It also outlined and presented cost estimates for several alternative methods of providing hospital benefits for old-age, survivors, and disability insurance beneficiaries and other aged persons, including the provision of such benefits as part of the old-age, survivors, and disability insurance system, various methods of stimulating voluntary insurance, subsidies to private insurance carriers, and Federal assistance to the medically indigent. The report did not include any recommendations for specific action.

[1] *Hospitalization Insurance for OASDI Beneficiaries* (Committee Print), Committee on Ways and Means of the House of Representatives, April 3, 1959.

1959 HEARINGS ON H.R. 4700

In July 1959 the Ways and Means Committee held 5 days of public hearings on H. R. 4700, a bill introduced in the Eighty-sixth Congress by Representative Forand "to provide insurance against the costs of hospital, nursing home and surgical services for persons eligible for old-age and survivors insurance benefits."

Under the bill, eligible persons aged 65 and over (62 for women), their qualified dependents, and young survivors were to be entitled to the following health benefits in a 12-month period: up to 60 days of hospital care; up to 120 days, less the number of days in hospital, of care in a skilled nursing home upon transfer from a hospital and on a physician's certification that care was medically necessary for a condition associated with that for which the person was hospitalized; and necessary surgical services. Any hospital (other than mental or tuberculosis or Federal hospitals) or qualified nursing home licensed by the State in which it was located was to be eligible to enter into an agreement to provide services under the program. Payments for these services by the insurance fund were to cover the reasonable costs incurred by the provider, who would agree to accept them as payments in full for covered services. The Secretary was to be authorized to utilize in the administration of the program nonprofit organizations representing providers of hospital, nursing-home, or surgical services or operating voluntary insurance plans covering such services.

To finance the benefits, the bill provided for an increase in old-age, survivors, and disability insurance contributions of 0.25 percent of taxable earnings each for employers and employees and 0.375 percent for self-employed persons. The cost of the program as estimated by the Social Security Administration was $1,120 million, or 0.53 percent of taxable payrolls, in the first full year and 0.79 percent on a level-premium basis—that is, the average over the indefinite future.

(The comparable bill introduced by Representative Forand in the Eighty-fifth Congress had been fully financed according to cost estimates made at that time. In the subsequent congressional consideration of H.R. 4700, Representative Forand stated that he would amend the bill to assure that it was actuarially sound and to

take account of certain other technical problems resulting from the 1958 amendments to the Social Security Act.)

In testifying on the opening day of the hearings, the Secretary of Health, Education, and Welfare quoted from his report of April 3, 1959, to the Committee as follows:

There is general agreement that a problem does exist. The rising cost of medical care, and particularly of hospital care, over the past decade has been felt by persons of all ages. Older persons have larger than average medical care needs. As a group they use about two and a half times as much general hospital care as the average for persons under age 65 and they have special need for long-term institutional care. Their incomes are generally considerably lower than those of the rest of the population, and in many cases are either fixed or declining in amount. They have less opportunity than employed persons to spread the cost burden through health insurance. A larger proportion of the aged than of other persons must turn to public assistance for payment of their medical bills or rely on "free" care from hospitals and physicians. Because both the number and proportion of older persons in the population are increasing, a satisfactory solution to the problem of paying for adequate medical care for the aged will become more rather than less important.

The Secretary then stated, however, that he did not regard H. R. 4700 as a satisfactory solution to the problem, since he believed that the objective of making adequate medical care available to the aged population should, as far as possible, be achieved through reliance upon and encouragement of individual and organized voluntary action. As a proportion of all persons aged 65 and over in the population, those having voluntary health insurance had risen from 26 percent in 1952 to about 40 percent in 1959 and in view of the special efforts being made by insurance carriers would, he felt, certainly increase still further. The Secretary pointed out that "enactment of a compulsory hospital insurance law would represent an irreversible decision to abandon voluntary insurance for the aged in the hospital field and would probably mark the beginning of the end of voluntary insurance for the aged in the health field generally. The pattern of health coverage of the aged would have become frozen in a vast and uniform governmental system [involving] governmental intervention into arrangements that are on the whole better left within the framework of nongovernmental action."

The Secretary further indicated that he recognized there were problems relating to the adequacy and cost of existing health insurance for aged persons and that the Department was continuing to study possible methods of strengthening the voluntary approach but had not yet had time to develop a definite recommendation.

During the course of the hearings, numerous witnesses testified both for and against H. R. 4700 or any similar proposal to provide health benefits for aged persons through the social security system. The American Medical Association, a number of State medical societies, the American Hospital Association, the Chamber of Commerce of the United States, the Health Insurance Association of America, the American Life Convention, the Life Insurance Association of America, and others opposed "the social security approach," and some opposed any Federal action, on a number of different grounds.

The major arguments presented by those opposed to H. R. 4700 related to the fear of Government control of hospital costs and of medical practice, the danger of overutilization of hospital facilities with an accompanying decline in the quality of care, and the fear that hospital insurance for the aged would be but the first step toward health insurance for the entire population through the social insurance system. The rapid growth of voluntary insurance and the willingness of many doctors to agree to hold down their charges for older persons were cited as evidence that the problem would solve itself, given time. Questions were also raised as to whether the aged were as badly off financially as pictured, and it was pointed out that the neediest aged were not receiving old-age and survivors insurance benefits and that they would therefore not be helped by a program geared to old-age, survivors, and disability insurance.

The use of the social insurance mechanism to provide hospital and other health benefits for aged persons was supported by the American Federation of Labor-Congress of Industrial Organizations and other representatives of organized labor, the American Public Welfare Association, the American Nurses Association, Group Health Association of America, the Physicians' Forum, the National Association of Social Workers, and others. The primary arguments presented by those supporting H. R. 4700 related to the growing need for the entire community to share in the higher-than-average medical costs of the aged, with use of the social insurance system

the most effective and logical method, assuring immediate broad coverage and a mechanism for prepayment; they reflected also the opposition to the use of a means test for medical care—suggested as an alternative to health benefits under old-age, survivors, and disability insurance. Also cited were the shortcomings of private insurance policies and protection and the question as to how much private insurance could be expected to do; the advantages that would accrue to hospitals and to private insurance carriers if the costs of the aged group were taken over by Government; and the probability that such action would strengthen rather than weaken voluntary insurance. A number of the witnesses also made suggestions for modifying the bill—by dropping surgical benefits, for example, and adding outpatient diagnostic and visiting nurse services to avoid unnecessary utilization of hospitals.

1960 PROPOSALS

There was no further congressional action on proposals for medical care for the aged in 1959. On March 14, 1960, the Ways and Means Committee went into executive session to consider possible amendments to the Social Security Act. It remained in executive session through April and May and into June. A large part of the time was devoted to the issue of medical care for the aged.

At the request of the Committee Chairman, the Secretary of Health, Education, and Welfare, as well as technical staff of the Department, sat with the Committee during most of its sessions. At the beginning of the session, the Secretary indicated that the executive branch had been exploring various alternative approaches to the problem of medical care for the aged and had conferred many times with representatives of various interested groups in an attempt to work out an acceptable solution. Up to that time, however, no agreement had been reached. The Committee asked the Secretary to push forward with his explorations and indicated an unwillingness to proceed without a definite recommendation from the Administration.

Early in 1959 the Senate Committee on Labor and Public Welfare had established a special Subcommittee on Problems of the Aged and Aging (the McNamara Subcommittee) to conduct a comprehensive study of the major problems of the aged. The subcommittee held public hearings in seven communities throughout the country and during the first 2 weeks in April 1960 held hearings in Washington, primarily on the health needs of the aged. The lineup of groups for and against provision of medical benefits through the social insurance system was similar to that at the time of the hearings before the Committee on Ways and Means in 1959.

Some new information on the medical needs of the aged was introduced. There were additional pressures for action and additional arguments for delay. A number of persons, for instance, thought no action should be taken until after the White House Conference on Aging early in January 1961. The Secretary of Health, Education, and Welfare again testified that he was exploring various alternatives.

The Javits Bill

On April 7, Senator Javits introduced, for himself and seven other Republican Senators, S. 3350 —a bill to provide Federal matching grants to States to help subsidize the cost of health insurance for persons aged 65 and over. Six identical bills were introduced in the House.

Under this proposal, a participating State would enter into contracts with private insurance carriers to provide at least one service benefit and one indemnity benefit health insurance policy that would be available to every individual in the State who was aged 65 or over or married to such an individual. The policies would be required to cover home and office physicians' calls and other ambulatory care constituting not less than one-third of the premium cost and also to permit the substitution of care in skilled nursing homes for care of equal cost in general hospitals.

The bill established a schedule of subscription charges for individual subscribers ranging from zero for those whose annual incomes were less than $500 in the preceding year and 50 cents a month for those with incomes of $500–$1,000, up to $13 a month (or such larger amount as the State might designate) for those with incomes of $3,600 and above. No individual's subscription charge, however, was to exceed the premium cost of his policy if that cost was less than $13 a month. The difference between the aggregate premium cost for all participants and their total

subscription payments would be made up by the Federal and State governments, with the Federal share ranging from 33⅓ percent to 75 percent, depending on the per capita income of the State. The government costs under the bill were estimated by Senator Javits to be $1.12 billion, of which about $480 million would be Federal funds.

Administration Proposal

On May 4, Secretary Flemming presented to the Committee on Ways and Means and released to the press the Administration's plan. It called for Federal grants to the States to help finance a program of comprehensive medical benefits for the aged. In the States participating, the program would be open to all persons aged 65 and over who did not pay an income tax in the preceding year and to taxpayers aged 65 and over whose adjusted gross income, plus old-age and survivors insurance benefits and railroad retirement and veterans' pensions, in the preceding year did not exceed $2,500 ($3,800 for a couple).

The program in all participating States would provide that eligible persons could participate in the plan by paying an enrollment fee of $24 a year (old-age assistance recipients would be covered without paying an enrollment fee). After they had incurred health and medical expenses of $250 in a year ($400 for a couple), the program would pay 80 percent (100 percent for old-age assistance recipients) of the cost of the following benefits in a 12-month period when the services were determined to be medically necessary: up to 180 days of hospital care, skilled nursing-home care, organized home-care services, surgical procedures, laboratory and X-ray services (up to $200), physicians' services, dental services, prescribed drugs (up to $350), private-duty nurses, and physical restoration services. For public assistance recipients, the initial $250 would be paid by the assistance program.

In line with the principle enunciated by the Administration that opportunity for further development of private health insurance coverage of the aged should be maintained, the plan also provided that an eligible individual who so wished could elect to receive 50 percent, up to a maximum of $60 a year, of the cost of a private major medical insurance policy in lieu of the specified program benefits. The States would be responsible for establishing minimum specifications for such policies.

The program would be administered by the States directly or through the use of appropriate private organizations as agents. Federal matching grants toward the government costs of the program would be 50 percent on the average, with a range from 33⅓ percent to 66⅔ percent, depending on the relative per capita income of the State.

On the assumption that all States would participate and that 75 percent of the 10 million persons not now receiving old-age assistance who would be eligible would enroll, the annual government cost of the program was estimated to be $1.2 billion, and the Federal share $600 million. Including the costs that would fall on the public assistance program (the first $250 in a year for old-age assistance recipients), the total government cost under the proposal was estimated to be $1.65 billion. This proposal would require new appropriations of $688 million by the Federal Government and $617 million from State and local revenues. Enrollment fees would amount to $182 million a year.

The major arguments that were presented for and against this proposal are summarized below in the discussion of the Senate Finance Committee hearings.

The McNamara Bill

During the spring and early summer, a number of bills using the social insurance approach were introduced in both the House and the Senate. A few were identical with the Forand bill. Others were similar, but with variations in the scope of benefits, the groups covered, and other features. On May 6, Senator McNamara for himself and 18 other Democratic Senators introduced S. 3503, based in part on the hearings of his subcommittee.

The bill was designed to meet several of the criticisms that had been levied against the Forand bill. One criticism that had been made with increasing frequency was that 4 million of the 16 million persons aged 65 and over would be left out of any program limited to social insurance beneficiaries. The McNamara bill provided protection for this group (other than those entitled to railroad or Federal civil-service retirement

benefits), with the costs to be paid from general revenues. It also declared it to be the policy of Congress to take action as soon as possible to provide health benefits on a contributory basis for the almost 1 million railroad retirement and civil-service annuitants.

The McNamara bill restricted eligibility for health benefits to persons among those eligible for old-age and survivors insurance and the other entitled groups who met a special retirement test. It provided on an annual basis for hospital services up to 90 days, nursing-home services up to 180 days, and home health services up to 240 days but with an overall maximum of 90 units of service. One unit of service would be equal to 1 day of hospital service, 2 days of nursing-home benefits, and 2⅔ days of home health services.[2] The bill also provided for diagnostic outpatient services and a benefit covering the cost of very expensive drugs to the extent specified by the Secretary of Health, Education, and Welfare through regulation, after consultation with an advisory council. It provided for a staggered introduction of benefits, with the hospital and diagnostic outpatient services to become effective not earlier than July 1, 1961, or later than January 1, 1962, and the remaining benefits to become effective in various 6-month periods, none ending later than July 1, 1963.

To finance these benefits, the bill provided for an increase in the scheduled old-age, survivors, and disability insurance tax rate of 0.25 percent each for employers and employees and 0.38 percent for self-employed persons beginning in 1961 and an additional increase of 0.13 percent and 0.19 percent beginning in 1972. In the first full year of operation, when all the benefits were in effect, the estimated cost of the benefits (excluding the drug benefits, for which, in the absence of precise specifications, estimates could not be made) was $1.05 billion or 0.50 percent of taxable payroll for persons eligible for old-age and survivors insurance benefits and meeting the retirement test. It would be $430 million for the group whose benefits would be paid for from general revenues. The long-range level premium cost for those eligible for old-age and survivors insurance benefits was estimated at 0.89 percent of taxable payroll. (The estimated long-range level value of the increased contributions was 0.70 percent.)

[2] S. 3503 provided more limited benefits for aged persons not eligible for old-age, survivors, and disability insurance. This was changed, however, when the bill was reintroduced on June 24 as an amendment to H. R. 12580, to provide the benefits listed above for all persons covered by the bill.

ACTION OF WAYS AND MEANS COMMITTEE

In the Ways and Means Committee, discussion centered around the Forand bill and the Administration's proposal. The Committee rejected the Forand bill by a vote of 17 to 8. Several alternatives involving the social insurance approach but more limited benefits, eligibility at age 68 or age 72, the option of a cash payment in lieu of health benefits, and other proposals were considered and rejected. The Committee then began to work towards the development of a plan for medical assistance along lines similar to the existing public assistance programs, but with a less stringent test of need. According to the Chairman of the Committee a program of this kind would not be a permanent commitment for the future but would leave open the possibility of adopting either the Administration approach or the social insurance approach at a later time.

On June 13, 1960, the Ways and Means Committee reported out H. R. 12580, the Social Security Amendments of 1960. H. R. 12580 provided for a new title XVI of the Social Security Act, establishing a program of Federal grants to the States, effective July 1, 1961, to help pay the cost of medical services for aged persons who need assistance in meeting their medical expenses.

As under existing public assistance programs, each State would decide whether to participate and would determine the extent and character of its own program, including (within very broad limits) standards of eligibility and scope of benefits. Federal grants under this program could not be used for persons already receiving assistance under another federally aided public assistance program. However, a State's program under the new title could not be more liberal than its medical program under old-age assistance. The Committee indicated that the test of need for medical assistance would presumably be less stringent than that for cash assistance payments.

Federal matching grants were also conditioned on the availability under the State program of both institutional and noninstitutional services

and applied to any or all of the following listed services: up to 120 days a year of inpatient hospital services, skilled nursing-home services, physicians' services, outpatient hospital services, organized home-care services, private-duty nursing services, therapeutic services, major dental treatment, laboratory and X-ray services (up to $200 a year), and prescribed drugs (up to $200 a year).

The Federal share of the costs of medical assistance under title XVI was to be between 50 percent and 65 percent, depending on the per capita income of the State. H. R. 12580 also provided that States could get somewhat more favorable matching for vendor medical payments for old-age assistance recipients, effective October 1, 1960. Specifically, there would be an increase of 5 percentage points in the Federal share of additional expenditures up to an average of $5 per recipient per month. The annual cost of medical services under title XVI after all States had had an opportunity to develop programs was estimated to be $325 million, of which the Federal share would be $165 million and the State share $160 million. The cost of improved medical care for old-age assistance recipients was estimated to be $10.6 million of Federal funds and $5.4 million of State and local funds per year.

H. R. 12580 was considered in the House under a closed rule (preventing any amendments from the floor) and was passed, 381 to 23.

SENATE FINANCE COMMITTEE ACTION

The Senate Finance Committee held 2 days of public hearings on H. R. 12580 on June 29 and 30. In testifying for the Administration, the Secretary of Health, Education, and Welfare endorsed the proposed medical assistance title. He pointed out, however, that the new program would not help the aged make advance provisions for meeting the costs of illness. He reiterated the Administration's objections to use of the social insurance approach, stressing the danger of placing too heavy a load on the payroll tax. That tax, he thought, should be reserved for the cash benefits under old-age, survivors, and disability insurance. He recommended that the Federal share of any program to meet the medical care needs of the aged be financed through general revenues.

The Secretary also summarized the Administration's proposal.[3] In support of the plan he stressed the element of free choice for the individual as to whether or not to participate, the coverage of the catastrophic risks of long-term illness, the provision of a wide range of benefits without placing a premium on institutional care, the incentive for a judicious use of health services by requiring the individual to share in their costs, and the greater equity of financing the Federal share out of general revenues rather than from a payroll tax on annual earnings of $4,800 or less. He pointed out that the test of eligibility was simple and would not subject the individual to a detailed examination of means.

The major objections raised in the Senate Finance Committee hearings to the Administration plan had to do with the reliance on State action; doubt as to the likelihood of either the States or the Federal Government raising the required amounts of money from general revenues or that many States could in fact or should be expected to raise the necessary sums; the complete determination of benefit specifications by the Federal Government in a program half of whose costs were to be financed by the States; the difficulties that many aged persons would face in paying the first $250 of their medical expenses and 20 percent of the costs of additional expenses; the confusion and inequity that, it was argued, would result from the proposed income test; and the administrative costs and problems involved in getting such a program into operation.

Questions were also raised on the financing and State administration provisions of the Javits bill, and in addition objections were raised to the subsidy of commercial insurance companies thereunder without Federal regulations or standards on allowable profits and administrative costs. Neither the Javits bill nor the Administration plan was endorsed by any of the major groups who were opposing the Forand bill.

A resolution approved by the Governors' Conference, with 30 Governors in support and 13 opposed, was submitted to the Committee. The resolution urged Congress to adopt "a health insurance plan for persons 65 years of age and over to be financed principally through the contributory plan and framework of the old-age, survivors, and disability insurance system."

[3] S. 3784, introduced by Senator Saltonstall on June 30, 1960.

Most of the witnesses who testified before the Senate Finance Committee endorsed the provisions of H. R. 12580 establishing a new program of medical assistance, whether or not they thought that the government should do more than this.

In executive session, the Senate Finance Committee made a number of changes in the medical care provisions of H. R. 12580, which it reported out on August 19, 1960. Instead of a new title for medically needy persons, it proposed amending title I of the Social Security Act, relating to Federal grants for old-age assistance. These amendments provided additional Federal matching for vendor medical payments to persons receiving old-age assistance and authorized Federal grants to the States for payment of part or all of the medical expenses of persons whose income and resources were above the assistance standard in a State but who needed help with their medical bills. These provisions, which were incorporated in Public Law 86–778, are described in detail below.

SENATE FLOOR DEBATE

On the floor of the Senate, three major amendments relating to medical care for the aged were debated. All accepted the medical assistance provisions of H. R. 12580 as reported out by the Senate Finance Committee but proposed to add other medical care programs.

Senator Javits, for himself and eight other Republican Senators, proposed an amendment that represented a combination of elements of his original bill and of the Administration's proposal. The amendment provided for Federal grants to the States to help pay for medical services for the aged. To qualify for these Federal matching grants, a State program would have to include the following provisions.

All persons aged 65 and over who did not pay an income tax or whose income including old-age and survivors insurance benefits, payments under the railroad retirement program, and veterans' pensions in the preceding year was $3,000 ($4,500 for couples) or less would be eligible to participate. Each State would establish a schedule of individual enrollment fees related to the participant's income, but the fee could not be less than 10 percent of the estimated full per capita cost of the medical benefits provided under the program.

States would be required to offer each participant a choice of enrolling in (1) *a diagnostic and short-term illness benefit plan* providing 21 days of hospitalization or equivalent skilled nursing-home services, 12 physician's visits in home or office, diagnostic laboratory and X-ray services costing up to $100, and organized home health-care services for up to 24 days; or (2) *a long-term illness benefit plan* providing, after a deductible of $250, 80 percent of the costs of 120 days of hospitalization and up to a year of skilled nursing-home services and organized home health-care services; or (3) *an optional private insurance benefit plan* providing 50 percent of the premium cost of a private health insurance policy, up to a maximum reimbursement of $60 in a year. The Federal Government would also share in the cost of improved plans of the first two types up to a per capita cost of $128 a year for the benefits. The average annual per capita cost (for the country as a whole) of the specified minimum plans was estimated to be $90. A State wishing to provide more than the minimum benefits would have to make equivalent improvements both in the diagnostic and short-term illness benefit plan and in the long-term illness benefit plan. Federal sharing in costs would range among the States from 33⅓ percent (in the richest State) to 66⅔ percent (in the poorest State). State administrative expenses would be shared 50-50 by the Federal and State governments.

It was estimated that, if all States participated, some 11 million persons would be eligible to participate (about 1 million more than the number of nonrecipients of old-age assistance estimated to meet the somewhat more stringent income test under the original Administration proposal). On the assumption that 75 percent (8.25 million) of those eligible would participate, the annual government cost of the minimum benefits was estimated to be $672 million, of which $320 million would be Federal and $351 million State and local cost. The annual cost of the maximum benefits in which the Federal Government would share was estimated to be $950 million, and the Federal share would be $463 million.

In a press conference several days following the introduction of the Javits amendment, Secretary Flemming indicated that, though he had not had an opportunity to discuss the proposal in full detail with the President, there was no question of its consistency with the basic principles favored

by the Administration. After several hours of debate on the floor of the Senate, the Javits amendment was defeated by a vote of 67 to 28.

The Senate then turned to consideration of the Anderson-Kennedy amendment, introduced by Senator Anderson and nine other Democratic Senators. This amendment proposed to add to the medical assistance provisions of H. R. 12580 a program of health benefits for persons eligible for old-age, survivors, and disability insurance benefits and aged 68 or over.

The benefits would include hospital services for up to 120 days in a year after the individual paid the first $75 of hospital costs, up to 240 days of skilled nursing-home care on discharge from a hospital and for a condition associated with the period of hospitalization, home health services by a nonprofit or public agency for a maximum of 365 visits a year, and diagnostic outpatient hospital services, including X-ray and laboratory services. There was an overall ceiling on the first three benefits of 180 units of service in a year, with a unit of service equal to 1 day of inpatient hospital care, 2 days of skilled nursing-home care, and 3 home health visits.

Social security contribution rates would be increased beginning in 1961 by 0.25 percent each for employers and employees and 0.375 percent for self-employed persons, and the additional contributions credited to a separate account in the old-age and survivors insurance trust fund, from which all payments for medical services would be made. The level-premium or long-range cost of the plan was estimated to be 0.50 percent of taxable payroll and the cost in the first full year of operations 0.33 percent of taxable payroll or $690 million.

The Anderson-Kennedy amendment was defeated by a vote of 51 to 44.

An amendment was introduced by Senator Long, of Louisiana, to modify the medical assistance provisions under title I of the Social Security Act to permit Federal matching of vendor payments to public mental and tuberculosis hospitals. It was estimated that this amendment would result in additional Federal grants of $120 million a year in the first years of operation.

The amendment was opposed on the grounds that support of public mental and tuberculosis hospitals was an accepted responsibility of the States and that, if Federal funds were to be made available to the States to improve their hospital programs, it should be done directly and not through the public assistance program. The supporters of the amendment cited the great need for additional funds for care of patients with mental illness or tuberculosis and argued that the public assistance program should not discriminate on the basis of type of illness. The amendment was adopted by a vote of 51 to 38.

CONFERENCE COMMITTEE ACTION

The Conference Committee appointed by the two Houses agreed to the medical care provisions in the Senate-passed bill, with one exception. Senator Long's amendment was dropped, but a provision that had been in the bill as approved by the House was reinstated, to provide that Federal matching grants could be used for medical care for a patient in a general hospital as the result of a diagnosis of tuberculosis or psychosis for 42 days (whether consecutive or not) after such diagnosis. Previously Federal financial participation was not available for assistance to anyone for whom a diagnosis of tuberculosis or psychosis had been made and who was in a medical institution as a result. The new provision was intended to encourage and help finance early rehabilitative treatment.

When the Conference Committee report came to the floor of the Senate, Senator Long argued against its adoption because of this and other differences from the bill as voted by the Senate. After extensive debate, the Conference report was adopted by a vote of 74 to 11. The House had adopted the report of the conferees by a vote of 368 to 17 several days earlier.

MEDICAL CARE PROVISIONS OF PUBLIC LAW 86–778

As adopted and signed by the President, Public Law 86–778 provides substantially liberalized Federal grants to the States to enable them to help pay for medical care for persons aged 65 and over who are unable to carry the cost themselves.

Under title I, as amended, Federal grants are available, effective October 1, 1960, to the States for the first time to enable them to furnish necessary medical assistance for aged persons of low

income not receiving old-age assistance for their maintenance needs. As of the same date, additional funds are made available to States to improve or to establish medical care programs in old-age assistance. The law also provides for the issuance by the Secretary of Health, Education, and Welfare of medical care guides and standards for public assistance and medical assistance for the aged and for reporting on the scope and content of the programs established by the States.

Medical Assistance for the Aged

Under this new program, States can receive Federal funds to help pay the costs of medical services for persons aged 65 and over who are not recipients of old-age assistance but whose income and resources are determined by the States to be insufficient to meet such costs. States may choose among a broad scope of medical services, but the services for which they pay the costs must include those of both an institutional and noninstitutional character.

The law specifies the scope of care and services that may be provided as follows: Inpatient hospital services; skilled nursing-home services; physicians' services; outpatient hospital or clinic services; home health-care services; private-duty nursing services; physical therapy and related services; dental services; laboratory and X-ray services; prescribed drugs, eyeglasses, dentures, and prosthetic devices; diagnostic, screening, and preventive services; and any other medical care or remedial care recognized under State law. However, as under the law before the 1960 amendments, there can be no Federal participation in payments with respect to medical services furnished an inmate in a nonmedical public institution or to a patient in a mental or tuberculosis institution. Persons with a diagnosis of tuberculosis or psychosis may be covered for 42 days of care in a general hospital.

To qualify for Federal matching grants, State plans for medical assistance must meet certain requirements already in the act and still applicable to old-age assistance as well as the new program—the requirements, for example, that the program be in effect in all political subdivisions, provide for financial participation by the State, and ensure proper and efficient administration. In addition, under a State plan for medical assistance for the aged no enrollment fee or charge may be imposed as a condition of eligibility, and under regulations prescribed by the Secretary the State must furnish assistance to State residents absent from the State. Reasonable standards for determining eligibility and the extent of medical assistance are required. There must be a provision that no lien can be imposed during a recipient's lifetime on account of payments under the plan (except pursuant to a court judgment concerning incorrect payments) and that adjustment or recovery is permitted only after the death of the recipient and spouse. A State may not impose an age requirement higher than 65, and no resident of the State and no citizen of the United States may be excluded.

The Federal Government's share in the total amounts expended by the States for medical assistance for the aged under a Federal matching percentage will range from 50 percent to 80 percent, under a formula based primarily on per capita income. For Puerto Rico, the Virgin Islands, and Guam the percentage is set at 50 percent.

Medical Care in Old-Age Assistance

Under the amended title I, as formerly, there is no Federal requirement as to the scope of medical services that the States provide for old-age assistance recipients. It is expected, however, that many of the States now paying the costs of medical care for such recipients will extend their programs and that others will begin to pay for medical care by making direct payments to the suppliers.

An additional plan requirement for old-age assistance under title I is the same as one that applies to medical assistance for the aged—the State plan must include reasonable standards for determining the eligibility for and the extent of assistance. Federal matching in the cost of medical care for patients in a medical institution as the result of diagnosis of psychosis or tuberculosis for 42 days after such diagnosis is permitted for old-age assistance as well as for medical assistance. The law continues, however, to exclude from the matching provision money payments to such patients.

Before the amendments the maximum average monthly payment for old-age assistance in which

the Federal Government would participate was $65. This amount included both money payments to the individual and vendor payments for his medical care. The Federal Government will continue as before to share in such expenditures for old-age assistance up to four-fifths of the first $30 of the average monthly payment, with variable matching ranging from 50 percent to 65 percent in the remainder up to $65 based on the relationship of the State's per capita income to the national per capita income.

For States with average monthly payments of more than $65, the 1960 amendments provide for Federal participation in additional expenditures, except that such participation will be limited to the amount of the average vendor medical payments up to $12 a month, or the amount by which the total average payment exceeds $65, whichever is less, with the Federal share ranging from 50 percent to 80 percent based on per capita income. For States with average monthly payments of $65 or less the Federal share in average vendor medical payments up to $12 a month will be an additional 15 percent over the usual Federal percentage applicable to the amount of payments falling between $30 and $65. This percentage, when added to the usual Federal percentage for the second part of the formula for payments, will give a total Federal share of 65–80 percent. The additional Federal share of 15 percent will also be available to States with average monthly payments of more than $65, when it is advantageous to them as an alternative to the method described above.

Comparable liberalizations of the formula for Federal participation in old-age assistance for Puerto Rico, the Virgin Islands, and Guam are included in the new law. In order to provide more adequate medical care for old-age assistance recipients, the dollar limitation on the amounts per year of Federal matching payments has been increased from $400,000 to $420,000 for Guam, from $8,500,000 to $9,000,000 for Puerto Rico, and from $300,000 to $315,000 for the Virgin Islands. These increases are earmarked for medical care payments in behalf of recipients of old-age assistance under title I. Medical care payments in behalf of individuals made under the new program of medical assistance for the aged under title I are not subject to the overall dollar limitation on the Federal payments to these jurisdictions.

Medical Guides and Reports

The 1960 amendments add a new section to title XI. The Secretary is directed to develop and keep current guides or recommended standards as to the level, content, and quality of medical care and services for the use of the States in evaluating and improving their public assistance programs and programs of medical assistance for the aged. The Secretary will also secure reports from the States on the scope and content of medical services under their programs and publish this information.

Estimated Costs

It was estimated during the congressional consideration of H. R. 12580 that, when all States had fairly well-developed programs, the new program of medical assistance might involve costs of about $325 million a year—$165 million in Federal funds and $160 million in State and local funds. The first year's expenditures for medical assistance were estimated to be $60 million in Federal funds and $56 million in State and local funds.

The change in the Federal matching formula for vendor medical payments under old-age assistance makes additional Federal funds available to most States without any increase in their present expenditures for medical care. On the assumption that (1) States now spending less than $12 a month for vendor medical payments would improve their programs as far as the additional Federal funds would permit up to that level and that (2) States with no medical care programs or very limited ones would develop plans with an average monthly cost of $6 per recipient, it was estimated that the additional Federal grants for old-age assistance vendor medical payments in the first year would be $142.2 million and the additional State and local expenditures $3.9 million. These costs might increase within a few years to perhaps $175 million in Federal funds and $30 million in State and local funds.

Just how many persons will receive assistance under the new program is difficult to estimate. In one sense, almost all aged persons are potentially eligible for either old-age assistance or medical assistance. If all States adopted tests of need similar to the income test in the Administration plan ($2,500 a year for an individual and $3,800

for a couple), some 10 million persons aged 65 and over and not recipients of old-age assistance might be found in need of medical assistance.

If all States adopted fairly comprehensive programs, within a few years some 500,000–1,000,000 persons might actually receive medical assistance during a year because of substantial medical bills. This approximate number of recipients is assumed in arriving at the estimated cost of $325 million a year when the program has been in operation for some years. All these figures could be larger in the future, as the number of persons aged 65 and over increases and if medical costs rise or all States come to have fully developed programs.

II. Other Provisions of the Social Security Amendments of 1960 and Related Legislation

BACKGROUND AND LEGISLATIVE HISTORY

Many parts of the Social Security Amendments of 1960 have their origins in actions taken by the Eighty-fifth Congress.

On June 28, 1958, the report of the House Ways and Means Committee on the Social Security Amendments of 1958 requested that the Department of Health, Education, and Welfare undertake three special studies—all relating to the old-age, survivors, and disability insurance program. The first was on the hospitalization of beneficiaries. The second was on the retirement test, with particular emphasis on situations in which individuals who had very large earnings during a single month of the year could receive benefits for other months. The third was a study to develop a practical method of includings tips as wages for purposes of coverage.

The 1958 amendments (Public Law 85–840) provided for the establishment of two advisory councils, one on public assistance and one on child welfare services. Each was directed to and did file its report by January 1, 1960. The statutory language on medical care guides and reports, which was incorporated into the 1960 amendments as reported by the House and which finally became law, was patterned on a recommendation of the Advisory Council on Public Assistance. Similarly the increase in the amount authorized to be appropriated for child welfare services and the new authorization for special research or demonstration projects in the field of child welfare services follow two of the recommendations that had been made by the Advisory Council on Child Welfare Services.

An Advisory Council on Social Security Financing, which had served during 1958 on the basis of a provision of the Social Security Amendments of 1956, made recommendations that, although modified before final enactment, formed the basis for the trust fund investment provisions contained in the 1960 amendments.

Some technical corrections in the 1958 bill, which were not made at the time the bill was passed, became the basis of a house joint resolution subsequently embodied in the 1960 amendments. On January 26, 1959, the Secretary of Health, Education, and Welfare transmitted the proposed joint resolution to the Chairman of the Committee on Ways and Means, with the request that these technical corrections be made. The proposal was subsequently introduced, as H. J. Res. 521, by Chairman Mills on September 8, 1959.

On March 13, 1959, the Committee on Ways and Means established a Subcommittee on Administration of the Social Security Laws under the chairmanship of Representative Harrison, of Virginia.

On April 2, 1959, the Department transmitted to the Committee on Ways and Means the report, *Hospitalization Insurance for OASDI Beneficiaries*.

On June 25, 1959, the Alaska Omnibus Bill, became Public Law 86–70. This law modified the public assistance and child welfare provisions of the Social Security Act so that Alaska would be treated on the same basis as other States with respect to these programs.

From July 13 to July 17, 1959, the Committee on Ways and Means held 5 days of hearings on H. R. 4700 (the Forand bill), a bill "to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the cost of hospital, nursing home, and surgical services for persons eligible for old-age and survivors insurance benefits, and for other purposes."

On August 26, 1959, the Secretary transmitted

to the President of the Senate and the Speaker of the House draft legislation to revise certain provisions of the Social Security Act relating to the management and investment of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund. The bill was based on recommendations made by the Advisory Council on Social Security Financing and modifications of some of these recommendations proposed by the Board of Trustees of the trust funds. This bill was subsequently introduced, as H. R. 9148, by Representative Simpson, of Pennsylvania, on September 8, 1959.

On September 16, 1959, Public Law 86–284 was enacted. The law, described in detail later in this article, modifies existing provisions governing the coverage of nonprofessional school employees under old-age, survivors, and disability insurance and makes additions to the list of States in which coverage is available to all or certain policemen and firemen on the same basis as other State and local employees under retirement systems.

During the period from November 4 to December 7, 1959, the Harrison subcommittee (the Subcommittee on Administration of Social Security Laws of the Committee on Ways and Means) held hearings on all aspects of the administration of disability insurance. Though this subcommittee did not have legislative jurisdiction, one result of the hearings was the introduction by Mr. Harrison on January 6, 1960, of H. R. 9323, a bill "to amend the provisions of Title II of the Social Security Act relating to disability freeze and disability insurance benefits so as to eliminate the age 50 requirement for such benefits, to eliminate waiting period for such benefits in certain cases, to provide a period of trial work for certain individuals receiving such benefits, and for other purposes." These three provisions, all of which were recommended in substantially the same form by the Administration, were embodied in the Social Security Amendments of 1960.

On March 14, 1960, the full Committee on Ways and Means began executive sessions, which continued almost daily for 13 weeks. During these sessions Secretary Flemming recommended, on behalf of the Administration, the extension of coverage under old-age, survivors, and disability insurance to doctors of medicine, to policemen and firemen in all States, to parents employed by adult children (except in work around the house), to the Territory of Guam, and, on a facilitated basis, to the employees of nonprofit institutions.

The Secretary asked for the elimination of age 50 as a minimum age for receipt of disability insurance benefits, the elimination of a second waiting period for persons who had had an earlier period of disability within 5 years, and the establishment of a period of trial work for individuals who had attempted rehabilitation under other than a State-approved rehabilitation plan. (A similar provision for persons undergoing rehabilitation under a State-approved plan was already in the law.) He recommended that old-age, survivors, and disability insurance benefits for surviving children be raised to a uniform three-fourths of the primary insurance amount, subject, as before, to the family maximum, and that benefits be made payable to survivors, largely aged widows, of individuals who died fully insured before 1940.

On March 29 the Department transmitted its report, *The Retirement Test Under Old-Age, Survivors, and Disability Insurance*, and on April 5 the joint report of the Department of Health, Education, and Welfare and the Treasury Department on the question of covering tips under the old-age, survivors, and disability insurance program.

On May 4, Secretary Flemming described the Administration's proposals for medical care of the aged to the Committee.

On June 9, Chairman Mills introduced a bill, H. R. 12580, embodying the decisions made during the 3 months of executive sessions of the Ways and Means Committee. Identical bills were introduced by Representative Byrnes, of Wisconsin, and Representative Baker, of Tennessee. The bill was ordered reported the same day and was reported to the House on June 13. Its principal provisions were:

(1) Establishment of a new title of the Social Security Act, "Medical Services for the Aged," under which the Federal Government would make grants to States to assist them in providing medical care for low-income aged persons who are otherwise self-sufficient but who the States determine need help with medical expenses.

(2) Limited additional Federal matching for increased State old-age assistance expenditures for medical care.

(3) Elimination of the requirement of age 50 for disability insurance benefits and the other disability provisions described earlier.

(4) Liberalization of the insured-status requirements for old-age, survivors, and disability insurance so that a person would be fully insured if he has 1 quarter of coverage for every 4 (instead of 2) elapsed quarters.

(5) An increase in benefits payable under old-age, survivors, and disability insurance to the children of deceased workers so that, subject to the maximum on family benefits, each child would be eligible for three-fourths of the primary insurance amount.

(6) Most of the Department recommendations on old-age, survivors, and disability insurance coverage, investment of trust funds, and other matters.

(7) Increases in the amounts authorized to be appropriated for the various maternal and child health and child welfare programs and authorization for special research or demonstration projects in the field of child welfare.

(8) A number of amendments to the unemployment insurance program.

On June 22 the House of Representatives debated the bill under a closed rule and adopted it on the following day by vote of 381 to 23.

On June 28 the Senate Finance Committee, meeting in executive session, decided to hold 2 days of open hearings—June 29 and June 30. On the first day, Secretary Flemming appeared before the Committee and presented the Administration's health care proposals. These were embodied in a bill, S. 3784, which was introduced the next day by Senator Saltonstall.

On July 12, 1960, Public Law 86–624 was approved, conforming the laws applying to Hawaii with those applicable to the other States. The legislation includes changes in the public assistance and maternal and child health and child welfare provisions.

On August 10, the Finance Committee began executive sessions and on August 13 ordered H. R. 12580 reported to the Senate with the following changes:

(1) Most of the extension of old-age, survivors, and disability insurance coverage in the House bill was deleted.

(2) The insured-status liberalization to 1 out of 4 quarters was deleted.

(3) Most of the unemployment insurance provisions in the House bill were deleted.

(4) A reduction from 3 years to 1 year in the duration-of-relationship requirements for entitlement to benefits as wife, stepchild, or husband of a worker under old-age, survivors, and disability insurance was deleted.

(5) Certain modifications of the responsibilities of the Advisory Council on Financing, to be appointed in 1963, were deleted.

(6) The amount authorized to be appropriated for child welfare services was further increased.

The following additions were made:

(1) The exempt amount under the retirement test for receipt of old-age and survivors insurance benefits was increased from $1,200 to $1,800.

(2) The retirement age for men under old-age and survivors insurance was lowered to 62, with benefits on a reduced basis.

(3) The present monthly exemption of $50 in earned income under the program of aid to the blind was increased to an annual exemption of $1,000 in earned income plus half any additional earnings.

(4) The Kerr-Frear amendment, which is essentially the same as the medical care provisions contained in the bill finally enacted, was adopted. This amendment provided for materially increasing Federal matching of expenditures for medical care under Federal-State old-age assistance programs and adopted essentially the House provisions for low-income aged persons not receiving public assistance. Instead of establishing these provisions as a new title of the Social Security Act, they were incorporated into title I.

The bill was reported in the Senate on August 19 and was debated on August 22 and 23. During the debate the Javits amendment, embodying a health care program for the aged to be financed from general revenue funds on a Federal-State basis, was defeated 67 to 28. The Anderson-Kennedy amendment that would have provided health insurance for old-age and survivors insurance beneficiaries under the old-age, survivors, and disability insurance system was defeated 51 to 44.

The following amendments were adopted:

(1) An amendment by Senator Long, permitting old-age assistance payments to aged persons in mental and tuberculosis institutions.

(2) An amendment by Senator Javits making eligible for old-age, survivors, and disability insurance benefits, under certain conditions, a child to whom the wage earner had stood "in loco parentis."

(3) An amendment by Senator Javits extending the unemployment insurance system to Puerto Rico.

(4) Other technical amendments affecting unemployment insurance.

(5) Three amendments (one by Senator Yarborough, one by Senator Engle, and the third by Senator Williams of New Jersey), which embody provisions to meet special situations related to the application of the State and local coverage provisions of old-age, survivors, and disability insurance in Texas, California, and New Jersey.

With these amendments the Senate passed the bill by a vote of 91 to 2 and requested a conference with the House.

The conferees met on August 24 and 25 and made the following significant changes:

(1) Most of the old-age, survivors, and disability insurance coverage provisions eliminated by the Senate Fi-

nance Committee were restored; however, coverage of physicians and of additional domestic and casual workers (both included in the House bill) were omitted from the final bill.

(2) The Senate provision increasing the exempt amount under the old-age and survivors insurance retirement test from $1,200 to $1,800 was eliminated and a test substituted under which $1 in benefits would be withheld for each $2 of earnings from $1,200 to $1,500 and for each $1 of earnings above $1,500. This test embodied a principle that had been described in the Department's report to the Ways and Means Committee.

(3) The Senate-approved provisions permitting payment under old-age and survivors insurance of actuarially reduced benefits to men beginning at age 62 were eliminated.

(4) The proposed insured-status requirement of 1 quarter of old-age, survivors, and disability insurance coverage for every 4 calendar quarters—approved by the House but deleted by the Senate—was replaced by a compromise requirement of 1 quarter of coverage for every 3.

(5) The Long amendment permitting payment of old-age assistance to aged patients in mental and tuberculosis hospitals was eliminated, but the House language permitting such payments in other medical institutions for up to 42 days, following a diagnosis of tuberculosis or psychosis, was restored. The amendment to pay benefits to children on the basis of an "in loco parentis" relationship was also eliminated. The provision relating to the duties of the Advisory Council on Financing, which had been deleted by the Senate, was reinstated, as was the provision relating to the duration-of-relationship requirements for a wife, husband, or stepchild.

On August 26 the House adopted the report of the conferees by a vote of 386 to 17. On August 29, after nearly 2 days of debate led by Senator Long, the Senate adopted the conference report by a vote of 74 to 11, thereby clearing the bill for the President.

On September 13, 1960, H. R. 12580 was signed by President Eisenhower and became Public Law 86–778.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

Improvements in Disability Provisions

Benefits for disabled workers under age 50.—Under the amendments, a disabled worker under age 50 and his dependents can qualify for monthly benefits, if they meet the other requirements. Previously, such benefits were payable only to disabled workers aged 50–64 and their dependents. The benefits are first payable for the month of November 1960, on the basis of applications filed in or after September 1960.

This amendment considerably strengthens the disability protection provided under old-age, survivors, and disability insurance. An estimated 125,000 disabled workers under age 50 and at least that many dependents can qualify immediately.

The age limitation of the old law was included as part of the conservative approach of the 1956 disability benefit provisions, which took into account the difficulty of predicting costs under the new program. The need of younger workers for protection in the event of disability was not seriously questioned. In 1959, the Department of Health, Education, and Welfare concluded from its experience in operating the disability insurance provisions that it would be feasible to extend the benefits to younger workers, and subsequently it recommended to Congress the elimination of the age requirement.

Trial-work period.—The amendments broaden the provision under which persons who return to work pursuant to a State-approved vocational rehabilitation plan could continue to draw benefits for as many as 12 months even though they engaged in substantial gainful activity. Under the new law, disability beneficiaries who work under any kind of rehabilitation plan or are rehabilitating themselves may perform services in each of 12 months, as long as they do not medically recover from their disability, before their benefits are terminated as a result of such services.

After 9 months of the trial period, however, the services a person has performed during the period or performs afterward will be considered in determining if he has demonstrated an ability to engage in substantial gainful activity. If he demonstrates such ability, 3 months later his benefits will be terminated. It is intended that any month in which a disabled person works for gain be counted as a month of trial work. Thus the services rendered in a month need not constitute substantial gainful activity for the month to be counted as part of a trial-work effort, but a month is not counted as part of the trial if no work is performed. No trial-work period may begin before the month in which a person becomes entitled to disability benefits or before October 1960, whichever occurs later.

The amendments also provide for the continuance of benefits for a short time after a disability ceases, whether or not the individual has tested

his ability to work. Beneficiaries who recover from their disabilities will have their benefits paid to them for the month in which their disability ceases and for the 2 succeeding months.

The Department recommended the trial-work provision as a means of relieving disabled people of anxiety concerning loss of benefits while they test their possible ability to work. Persons who are so severely disabled as to meet the statutory definition of disability need to recondition themselves to renewed work before they can carry a full workload or be certain that they can continue in gainful employment.

Modification of the waiting-period requirement.—For persons who again become disabled within 60 months of the termination of disability insurance benefits or an earlier period of disability, the amendments eliminate the requirement that the worker must be under a disability during a 6-month waiting period before qualifying for benefits.

This change had also been recommended by the Department as a means of removing a disincentive to the rehabilitation of disabled beneficiaries in doubt about their ability to work and therefore unwilling to risk termination of their disability benefits when there was the threat that they would be without benefits for 6 months after they once again became unable to work. Furthermore, persons who become disabled a second time after only a brief interval of work usually are in a less favorable position financially than when first disabled. A 6-month waiting period during which they have neither earnings nor benefits imposes needless hardship on them and their families. Restricting this change to persons who again become disabled within 5 years means that the group aided will be those for whom it is reasonable to assume that the second disability is related to the earlier disability and will be long lasting.

Benefits are payable under this provision for September 1960 and subsequent months, based on applications filed no earlier than March 1960.

Other changes in the disability provisions.—The amendments provide an alternative to the requirement that, to qualify for disability insurance benefits, the disabled worker must not only be fully insured but also must have at least 20 quarters of coverage in the 40-quarter period ending with the calendar quarter in which he meets the definition of disability. The new alternative will affect only a few persons—those who worked long periods in employment or self-employment that is now covered by the program and had covered work in the period immediately preceding their disablement but who did not have 20 quarters of coverage within the 40 quarters preceding their disablement. The alternative requirement permits such individuals to become entitled to disability benefits if all the quarters after 1950 and before the quarter of disablement are quarters of coverage. They must have a total of 20 quarters of coverage and at least 6 quarters of coverage after 1950. The alternative is effective beginning October 1960 for applications filed in or after September 1960.

The amendments also liberalize the former provision under which a person had to be under a disability severe enough to meet the conditions of law when he filed application for disability insurance benefits or the disability freeze. Under the amendments a person who first meets the statutory requirement, generally speaking, within 3 months of filing (or 6 months in the case of a second disability) is deemed to have filed a valid application.

Changes In The Retirement Test

The amendments establish a new retirement test, effective for taxable years that begin after 1960. The former requirement that a month's benefit be withheld for each $80 of earnings above $1,200 is eliminated. Under the new test, if a beneficiary under age 72 earns more than $1,200 in a year, $1 in benefits will be withheld for each $2 of earnings from $1,200 to $1,500 and for each $1 of earnings above $1,500. As under the previous test, regardless of the amount of annual earnings, no benefits will be withheld for any month in which the beneficiary neither earns wages of more than $100 nor renders substantial services in self-employment. This new test follows the general approach developed and discussed by the Department in a report on the retirement test that was submitted to the Committee on Ways and Means of the House of Representatives in March of this year.

The new test reduces the deterrent to work that existed under the previous test. A beneficiary who wants to work can feel free to accept a job

at any earnings level above $1,200, knowing that he will always have more in combined earnings and benefits than if he had limited his earnings to $1,200 or less.

Generally speaking, under the previous test, no benefits could be paid to anyone who worked throughout the year and made more than $2,080. Under the new test, some benefits can be paid to a single beneficiary getting the current maximum monthly benefit of $120 if his earnings are less than $2,790 in a year; a man and wife getting the current maximum monthly benefit of $180 can get some benefits if his earnings are less than $3,510.

Liberalization of the Requirements for Fully Insured Status

The amendments liberalize requirements for fully insured status so that, to be eligible for benefits, a person needs 1 quarter of coverage for every 3 calendar quarters (rather than 1 for every 2, as under the old law) elapsing after 1950 or the year of attainment of age 21 and before the year in which he reached retirement age, died, or became disabled (but not less than 6 or more than 40 quarters of coverage). Because the elapsed period used for determining the number of quarters required is now on the basis of full years, the number required will be the same in any given year regardless of when in that year the person dies or attains retirement age.

The number of additional persons—workers, dependents, and survivors—who will, as a result of the change, become eligible for monthly benefits beginning October 1960 is estimated to be about 400,000. By January 1, 1966, an estimated 1 million persons who could not qualify under the earlier provision will be eligible for monthly benefits.

Changes In Benefit Amounts

Increase in the benefits of children of deceased workers.—The amendments provide that the benefit payable to each child of a deceased worker shall be three-fourths of the worker's primary insurance amount (subject, of course, to the maximum limitation on the amount of family benefits payable on the worker's earnings record). Under the old law the benefit payable to each such child was one-half the primary insurance amount plus one-fourth the primary insurance amount divided by the number of entitled children. If there were two surviving children, for example, even though one child went to work and got no benefits the other child still was not eligible for a benefit equal to three-fourths of the worker's primary insurance amount. Beginning with benefits for the month of December 1960, about 400,000 children will get some increase in benefits as a result of the change.

Improved method of computing the average monthly wage.—The amendments provide that the average monthly wage will now be computed on the basis of a constant number of years regardless of when the worker files application for benefits or for a benefit recomputation. The number will be five less than the number of years elapsing after 1950 (after 1936 when the use of pre-1951 earnings would raise the benefit amount) or attainment of age 21 if later, and up to the year in which the person becomes eligible for benefits, dies, or becomes disabled. The change makes the provision for computation of the average monthly wage simpler and easier to understand than it had been, and for future cases it eliminates the problem that occasionally arose under the old method when a person did not apply for benefits at the most advantageous time.

Changes In Eligibility Provisions

Benefits for survivors of certain people who died before 1951.—The amendments provide for payment of child's, widow's, mother's, and parent's insurance benefits to survivors of workers who had 6 quarters of coverage and died before 1940. Under the old law, monthly benefits were provided only for the survivors of workers who died after 1939.

The amendments provide also for the payment of benefits to the widower of a fully and currently insured woman who died before September 1950. Until now monthly benefits were provided only for the widowers of working women who died after August 1950. Provision is also made for the payment of mother's benefits to the former wife (divorced) of a man who died before September 1950 and who had at least 6 quarters of

coverage at the time he died. About 25,000 persons—most of them aged widows—have been made eligible for benefits by these changes.

Benefits in certain situations when a marriage is legally invalid.—Under the amendments, benefits are now payable to a person as the wife, husband, widow, or widower of a worker if (1) the person had gone through a marriage ceremony with the worker in good faith in the belief that it was valid, (2) the marriage would have been valid had there been no impediment, and (3) the couple had been living together at the time of the worker's death or at the time an application for benefits was filed. For the purposes of this provision, an impediment is defined as an impediment resulting from a previous marriage—its dissolution or lack of dissolution—or resulting from a defect in the procedure followed in connection with the marriage.

Benefits are also payable to a child of a person who had gone through a marriage ceremony with a worker even though an impediment prevented the ceremony from resulting in a valid marriage.

Reduction in the length of time needed to acquire the status of child, wife, or husband.—The amendments simplify the duration-of-relationship requirement by making the conditions that apply when the worker has died also applicable when the worker is alive. Wives, husbands, or stepchildren can qualify for benefits payable on a retired or disabled person's earnings if the relationship had existed for 1 year, rather than 3 years as previously required.

Benefits for a child based on his father's earnings record.—Under the amendments, benefits will be payable to a child on his father's earnings record even though the child is living with and being supported by his stepfather. Under the previous law a child was not deemed dependent upon his father, and therefore was not eligible for benefits on the father's earnings record, if the child was living with and being supported by his stepfather. In most States there is no obligation for a stepfather to support his stepchild. If a child has been denied benefits based on his father's earnings because of the support provided by his stepfather and the stepfather stops supporting him, the child could not get benefits based on the earnings of either. The change will extend to the child living with his stepfather the protection now provided for other children, including children living with and being supported by other relatives.

Benefits for a child who is born to, becomes a stepchild of, or is adopted by a disabled worker.—Because of a defect in the 1958 amendments to the Social Security Act, benefits have not been payable to a child who is born to, becomes the stepchild of, or is adopted by a worker after the worker becomes disabled. The amendments provide for benefits to be paid to a child who is born or who becomes a worker's stepchild after the worker becomes entitled to disability insurance benefits. Provision is also made for the payment of benefits to a child who is adopted after the worker became disabled if he is adopted within 2 years after the worker becomes entitled to disability insurance benefits and if either (1) the adoption proceedings began in or before the month in which the worker's period of disability began, or (2) the child was living with the worker in the month in which the worker's period of disability began.

Because the amendment corrects a defect that arose as a result of the 1958 amendments, it is effective as though it had been enacted in the 1958 amendments and benefits may be paid retroactively to September 1958.

Changes in Coverage Provisions

Family employment.—Under the old law any services performed by a parent for his child have been excluded from coverage. This exclusion is changed to provide coverage for services performed after 1960 by parents in the employ of their adult children, if the services are those that are performed by the parent for his child in the course of a trade or business. Domestic services in or about the employer's home or other work not in the course of his trade or business continue to be excluded.

State and local government employees.—A number of new amendments are designed, in general, to facilitate coverage under the Social Security Act for employees of State and local governments. The most important is a provision, along lines recommended by the Department, that

permits coverage for groups of public employees brought under the program after 1959 to be made effective as early as the first day of the fifth year preceding the year in which the coverage is agreed to (but not before January 1, 1956). Under the old law, coverage for public employees brought under the program after 1959 could not begin earlier than the first day of the year in which the coverage was arranged.

In addition, the amendments place a time limitation on the period within which the Secretary may assess unpaid contributions based on State and local employment and on the period within which the Secretary must refund contributions that a State has erroneously paid. This provision is comparable to the statute of limitations of the Internal Revenue Code applying to nongovernment employment. A specific procedure was also provided for a State to use in seeking review in the United States district courts of determinations by the Secretary that result in the assessment of contributions or the denial of refund claims.

Another change permits a State to limit its liability for contributions in certain cases. It will be unnecessary for the State to pay employer contributions on more than $4,800 when an individual is paid wages totaling more than $4,800 in a year by two or more employing entities and when the State itself bears the cost of the employer contributions.

Several additional amendments, although applicable to all States, are designed to facilitate coverage in special situations and will affect relatively few people. Six amendments are each applicable to a single State (California, Maine, Mississippi, Nebraska, Texas, Virginia). One amendment makes the provision concerning divided retirement systems applicable to Texas, and another adds Virginia to the list of States that can cover policemen and firemen. The other amendments take care of special problems involved in the coverage of groups of employees in the other four States.

Minor changes in State and local coverage provisions were adopted by Congress during 1959. Public Law 86–284, signed September 16, 1959, reinstated until January 1, 1962, a 1956 provision under which nine States (Florida, Hawaii, Minnesota, Nevada, New Mexico, Oklahoma, Pennsylvania, Texas, and Washington) could provide coverage for nonprofessional school district employees without a referendum and as a group separate from professional employees. This law also permits coverage of policemen and firemen in positions under a retirement system in California, Kansas, North Dakota, and Vermont. The legislation also made special provision for covering certain policemen in Oklahoma.

Employees of foreign governments, instrumentalities of foreign governments, and international organizations.—Services performed within the United States by citizens of the United States in the employ of foreign governments or of international organizations entitled to privileges, exemptions, and immunities under the International Organizations Immunities Act are covered on a compulsory basis under the self-employment provisions.

The congressional committees recognized that it is generally undesirable to cover as self-employment the services of individuals who are actually employees. Since, however, a compulsory employer tax was not feasible and since some objections had been raised to allowing foreign governments to participate, even voluntarily, as employers in the United States social insurance program, the committees concluded that the only practical way to provide immediate coverage for these employees was to cover them as though they were self-employed persons. Only about 5,000 employees will be covered under this provision.

This coverage is effective for taxable years ending on or after December 31, 1960. For purposes of the retirement test, however, remuneration received by such individuals for taxable years beginning on or before September 13, 1960, is treated as wages in noncovered employment, but as net earnings in self-employment for taxable years beginning after that date.

Guam and American Samoa.—Coverage is extended to about 8,000 employees and self-employed persons in Guam and about 2,000 in American Samoa. Coverage will be effective for employees (except government employees) on January 1, 1961, and for self-employed persons for taxable years beginning after 1960. Coverage for employees of the Government of Guam will not become effective until the calendar quarter following the quarter in which the Governor of Guam certifies to the Secretary of the Treasury that the Guamanian Government has enacted legislation expressing its desire that old-age, survivors, and disability insurance be extended to these em-

ployees (in no event before January 1, 1961). A comparable effective date provision is included for employees of the Government of American Samoa. Filipino workers who come to Guam under contracts to work temporarily are excluded from coverage. Extension of coverage to Guam was recommended by the Department.

Ministers.—Legislation enacted in 1957 extended until April 15, 1959, the time within which ministers and Christian Science practitioners already in practice could file waiver certificates electing old-age, survivors, and disability insurance coverage. After that date only ministers who have not had net earnings from self-employment of $400 or more, some part of which was from the exercise of the ministry, for as many as 2 taxable years after 1954 were still eligible to file certificates electing coverage.

The present amendments give an additional opportunity, generally until April 15, 1962, to those ministers and Christian Science practitioners who failed to file in time certificates electing coverage. In addition, the legislation permits the validation of coverage of certain clergymen who filed tax returns reporting self-employment earnings from the ministry for certain years after 1954 and before 1960 even though, through error, they had not filed waiver certificates effective for those years. These ministers, their representatives, or their survivors are given the opportunity until April 15, 1962, to file waiver certificates or supplemental certificates and make their coverage effective with the first taxable year for which they had filed such a tax return and for all succeeding years. The minister who elects such retroactive coverage must pay all taxes due for the intervening tax years by April 15, 1962.

Under another provision, ministers who have previously elected coverage effective beginning with 1957 may obtain coverage for 1956 by filing a supplemental certificate on or before April 15, 1962.

Employees of nonprofit organizations.—An amendment, which the Department recommended, eliminates the requirement that two-thirds of the employees of a nonprofit organization must consent to coverage before the organization can obtain coverage for concurring present employees and all future employees. The law retains the requirement that, in a nonprofit organization with some employees in jobs covered by a public retirement system and some who are not, the employees must be divided into two coverage groups. The amendment also provides that certain erroneous reports of earnings by nonprofit organizations may be validated.

Employees of farm credit banks.—Another act, Public Law 86–168 (approved August 18, 1959), provides coverage for persons who first enter after December 31, 1959, the employ of Federal land banks, Federal intermediate credit banks, and banks for cooperatives. Persons who have been covered by the Federal civil-service retirement system while employed by such banks and who, after a break in service, are reemployed have an option to elect coverage under either that system or old-age, survivors, and disability insurance. Bank employees who were under the civil-service retirement system on January 1, 1960, are not covered by old-age, survivors, and disability insurance.

Financing

Investment of the trust funds.—The amendments provide for putting into effect certain recommendations made by the Advisory Council on Social Security Financing. Under these provisions the interest on future obligations issued exclusively to the trust funds is related to the average market yield of all marketable obligations of the United States that are not due or callable for 4 or more years from the time at which the special obligations are issued. Current actuarial cost estimates indicate that this change will, over the long range, provide additional income to the trust funds equivalent to 0.02 percent of payroll on a level-premium basis.

Under the old law, the interest on obligations issued exclusively to the trust funds is related to the average coupon rate on outstanding marketable obligations of the United States that are neither due nor callable until 5 years after the date of original issue. Thus the interest rate on new special obligations has been related to the coupon rate, established at some time in the past, rather than to the market yield prevailing at the time the special obligation is issued.

Advisory councils on social security financing.—The amendments provide that advisory coun-

cils on social security financing will be appointed in 1963, 1966, and every fifth year thereafter.

Under the previous law, an advisory council on social security financing was required to study and report on the status of the trust funds before each increase in the tax rates. When the law providing for advisory councils on financing was enacted in 1956, the tax increases were scheduled at 5-year intervals. The 1958 amendments accelerated the schedule of tax increases so that the tax rate is to be increased at 3-year intervals, with the next increase scheduled for 1963.

The first advisory council on financing, which made its report in January 1959, considered the present tax schedule and concluded that the 1963 tax increase should go into effect. Since the council issued its report there has been no significant change in the condition of the trust funds, nor is there any other reason to reexamine the need for the 1963 increase. It therefore was desirable to eliminate the requirement under previous law for a review of the status of the trust funds before the 1963 increase. On the other hand, it does seem desirable that the need for the increases scheduled for 1966 and 1969 be reviewed by advisory councils. Moreover, when the ultimate tax rate is reached there should continue to be periodic reviews of the financing of the program, and the amendments provide for additional councils to be appointed every 5 years after 1966.

The amendments also expand the function of the council to be appointed in 1963 so that, in addition to reviewing the status of the trust funds, it will review and report on the overall status of the old-age, survivors, and disability insurance program, including coverage, adequacy of benefits, and all other aspects.

Other Changes

The amendments made a number of changes of a technical nature. Some provisions for computing benefits that have served their purpose and generally are no longer used have been eliminated. The amendments changed the rule for crediting quarters of coverage on the basis of maximum creditable wages paid in years before 1951 to conform to the rule applied in the case of maximum creditable earnings in years after 1950. Other changes relate to the application of a penalty to the benefits paid to certain dependents of a person who is employed outside the United States, the maximum benefits payable to certain families, the naming of the Secretary in legal actions, and deadlines that fall on nonwork days.

The amendments also simplify and expedite the payment of the lump-sum death payment when there is no surviving spouse who was living in the same household with the worker at the time of his death by permitting the benefit to be paid directly to the funeral home for unpaid expenses incurred through the funeral home. The payment will be made for any part of the expenses that have not been paid if the person who assumed responsibility for the expenses requests that the payment be made to the funeral home. If no one has assumed responsibility for the expenses within 90 days after the date of the worker's death, the benefit will be payable directly to the funeral home. When the expenses incurred through the funeral home have been paid in full (including payment through application of part of the lump sum), any of the lump sum that remains will be paid as a reimbursement to any person (or persons) who have paid burial expenses, in this order of priority—the funeral home expenses, the expense of opening and closing the grave, the expense of the cemetery lot, and other expenses.

PUBLIC ASSISTANCE

1960 Amendments to Social Security Act

The major impact of the amendments on public assistance—the establishment of a new program of medical assistance for the medically needy aged and the increase in Federal participation in medical payments made under the old-age assistance program—are described in part I of this article. There are, however, other changes made under the amendments and other laws passed by the Eighty-sixth Congress that make other changes in the public assistance laws.

Two of the amendments affect the program of aid to the blind under title X of the Social Security Act. Formerly the law required that a State disregard the first $50 a month of earned income in determining need for aid to the blind. Under the new amendments, until June 30, 1962, a State may disregard either the first $50 per month of earned income, as before, or the first $85 per

month of earned income plus half the amount in excess of $85. After that date a State must disregard the first $85 per month of earned income plus half of earned income exceeding that amount.

The special legislation relating to the approval of certain State plans for aid to the blind was extended from June 30, 1961, to June 30, 1964. Only two States are affected by this legislation, which permits the approval of a State plan that does not meet title X requirements for the consideration of income and resources. Federal participation under these plans is, however, limited to expenditures that meet all requirements.

Other Legislation

Two other laws enacted by the Eighty-sixth Congress affect the public assistance provisions of the Social Security Act. Public Law 86–70, the Alaska Omnibus Act (approved June 25, 1959) and Public Law 86–624, the Hawaii Omnibus Act (approved July 12, 1960) enacted after the admission of the two new States to the Union, include provisions revising the method for computing the Federal grants to these States under titles I, IV, X, and XIV.

The 1958 amendments to the Social Security Act had set the Federal percentage to be used in the formula for computing the Federal share of public assistance expenditures for Alaska and Hawaii at 50 percent. Under these new laws, the Federal percentage for these States is to be determined, as for other States, on the basis of per capita income beginning July 1, 1960, for Hawaii and July 1, 1961, for Alaska.

MATERNAL AND CHILD HEALTH AND CHILD WELFARE

1960 Amendments to the Social Security Act

The Social Security Amendments of 1960 made several changes in the programs administered by the Children's Bureau. Other legislation enacted in 1959 and 1960 affected these programs significantly. The amounts authorized for annual appropriation were increased to $25 million for each of the three programs under title V. The amounts formerly authorized were (1) $21.5 million for maternal and child health services, (2) $20 million for crippled children's services, and (3) $17 million for child welfare services.

The uniform amount in the apportionment to each State prescribed by the law was increased for each of the three programs from $60,000 to $70,000. For maternal and child health services and crippled children's services, as under the old law, the full amount of the uniform grant is to be apportioned each year, even though the appropriation may be less than the full amount authorized. The amount of the uniform grant for child welfare services continues to be based on the ratio between the amount appropriated for child welfare services and the amount authorized, except that under the new law it shall not be less than $50,000.

The maternal and child health and crippled children's provisions are amended to provide that special project grants, up to 12½ percent of the total amount appropriated, may be made to State agencies (as is currently being done) and also directly to public or other nonprofit institutions of higher learning for special projects of regional or national significance that may contribute to the advancement of these programs. These grants may be made on such conditions as the Secretary of Health, Education, and Welfare finds necessary to carry out their purposes.

The provisions for maternal and child health and crippled children's services are also amended to make clear that the Secretary may make allotments "from time to time." He can thereby allot the funds at a time that will permit him to consider most effectively the financial need of each State.

A section was added to part 3 of title V that authorizes a new program and a separate appropriation for research or demonstration projects in the field of child welfare. Specifically, this section authorizes an appropriation for grants "to public or other nonprofit institutions of higher learning, and to public or other nonprofit agencies and organizations engaged in research or child welfare activities, for special research or demonstration projects in the field of child welfare which are of regional or national significance and for special projects for the demonstration of new methods or facilities which show promise of substantial contribution to the advancement of child welfare." Grants for these projects are to be made on such conditions as the Secretary finds

necessary to carry out the purposes of the grant.

As pointed out by the House Ways and Means Committee and the Senate Finance Committee, this new section permits implementation of a recommendation made by the Advisory Council on Child Welfare Services. The Council was established under a 1958 amendment to the act and submitted its report and recommendations to the Congress and the Secretary of Health, Education, and Welfare on December 28, 1959. One of its recommendations was that "Federal legislation provide for grants to research organizations, institutions of higher learning, and public and voluntary social agencies for demonstration and research projects in child welfare."

Other Legislation

Provisions in two new laws—the Alaska Omnibus Act (Public Law 86–70) and the Hawaii Omnibus Act (Public Law 86–264)—amend title V to enable Alaska and Hawaii to participate in the programs under that title on the same basis as other States.

Public Law 86–648 (approved July 14, 1960) extended to June 30, 1961, the provisions of Public Law 86–253 relating to the issuance of nonquota visas for certain alien orphans. This is the sixth time since 1948 that Congress has passed special, temporary legislation relating to these orphans.

The President had recommended in 1957 that the immigration laws provide for the annual admission of orphans adopted or to be adopted by American citizens. Later that year a law was enacted that provided temporary authorization (expiring June 30, 1959) for the issuance of special nonquota immigrant visas to certain eligible orphans under age 14 who were adopted by citizens abroad or who were coming to the United States to be adopted.

On May 18, 1959, the Secretary of Health, Education, and Welfare transmitted to Congress a legislative proposal to establish authority for the issuance of nonquota visas for these children on a permanent basis. This proposal also provided that assurances satisfactory to the Secretary would be given by the American citizen and spouse that the child would be well and properly cared for in a suitable home before he would be eligible for a nonquota visa. Secretary Flemming stated that the effect of the proposal would be "to extend to children adopted abroad, whether by the adoptive parent in person or by proxy, safeguards similar to those which now exist in the law for children adopted after they have been brought to the United States."

Public Law 86–253 (approved September 9, 1959) continued the existing provisions on nonquota visas to June 30, 1960. It also gave the Attorney General authority to approve petitions relating to the granting of special nonquota visas, under the provisions of the law, to these alien children.

On September 7, 1959, the President approved H. J. Res. 317 to change the date of Child Health Day to the first Monday in October. The Department had transmitted a bill for this purpose on March 17, 1959, to carry out the President's recommendation made when he approved the House Joint Resolution designating May 1 as Loyalty Day.

Child Health Day had been observed on May 1 ever since 1928, in accordance with the act of May 28, 1928. Since 1956, by agreement between the United States and the United Nations, the Child Health Day Proclamation of the President has contained references to Universal Children's Day and the work of the United Nations and the United Nations Children's Fund. The new date will permit the United States to link its Child Health Day observance more closely to Universal Children's Day, which many nations observe on October 1.

The International Health Research Act of 1960 (Public Law 86–610, approved July 12, 1960) is of major significance for the programs of the Children's Bureau. This law grants new powers to the Secretary of Health, Education, and Welfare in carrying out his responsibilities under the basic act of 1912 that established the Bureau. Among these new powers are authorization for establishing and maintaining fellowships, for making grants for such fellowships, and for making grants for research in carrying out the purposes of the new law.

These purposes are (1) to advance the status of the health sciences in the United States and thereby the health of the American people through cooperative endeavor with other countries in health research and in research training; and (2) to advance the international status of the health sciences through cooperative enter-

prises in health research, research planning, and research training.

The legislative history of the law makes clear the intent of Congress that research relating to children should be an integral part of the program. The House Committee on Interstate and Foreign Commerce, in reporting on the legislation, stated:

> The relationships between young children and mothers had long been recognized as fundamental to the development of stable, integrated personalities. This question can be most effectively investigated by viewing the relationship of children to mothers in different cultures. Investigations in a single culture do not provide the range of attitudes and practices that are necessary to show the consequences of different cultural patterns.
>
> Finally, there is an array of medical problems relating to children which can be investigated most effectively through an international approach. For example, genetic effects upon the frequency of stillborn, neonatal, and infant deaths, and upon congenital malformations can be effectively studied only against a wide backdrop of investigations covering different nationalities and geographical areas. Indeed, it is almost imperative to study genetic, as well as cultural differences affecting disease and health because without such studies it is virtually impossible to disentangle the effects of heredity from those of environment. In short, a well-developed program of research relating to children in this country must encompass a well-developed set of studies involving children in other countries, and few such studies now exist.[4]

UNEMPLOYMENT INSURANCE

Title V of the Social Security Amendments of 1960 (referred to as the Employment Security Act of 1960) amends titles IX and XII of the Social Security Act and the Internal Revenue Code. It extends the coverage of unemployment insurance to certain minor groups, brings Puerto Rico into the Federal-State program, and makes some changes in the financing provisions, including those relating to the operations of the loan fund.

Coverage

The amendments extend coverage to an estimated 60,000–70,000 persons: (1) employees of certain instrumentalities of the United States that are neither wholly nor partially owned by the United States, such as Federal Reserve banks, Federal credit unions, and Federal land banks; (2) employees serving on or in connection with American aircraft outside the United States; (3) employees of "feeder organizations," all of whose profits are payable to a nonprofit organization, and employees of nonprofit organizations that are not exempt from income tax; and (4) various employees of certain tax-exempt organizations, including agricultural and horticultural organizations, voluntary employee beneficiary associations, and fraternal beneficiary societies (except persons earning less than $50 a quarter and students). Coverage of the first group becomes effective January 1, 1961; the other three groups are covered beginning January 1962.

Puerto Rico, which since January 1, 1957, has had an independent unemployment insurance system, will be treated as a State for the purposes of the Federal-State system beginning January 1, 1961. Employers in Puerto Rico will be subject to the Federal unemployment tax, and Puerto Rico will be entitled to Federal grants to cover the administrative expenses of its unemployment insurance program. Benefits for Federal civilian employees and ex-servicemen in Puerto Rico will continue to be computed under the law of the District of Columbia until January 1, 1966, when they will be computed under Puerto Rican law.

Financing

Administrative expenses.—Effective January 1, 1961, the Federal unemployment tax rate becomes 3.1 percent of the first $3,000 of an employee's covered wages instead of 3.0 percent. Instead of the present 0.3 percent of this tax, 0.4 percent will be earmarked for the Federal Government, to be used to pay the cost of administering Federal and State operations of the employment security program and to finance a loan fund, the "Federal unemployment account," for making advances to States with depleted reserves. State tax credits are still to be computed, however, on the basis of a Federal tax rate of 3 percent. The increase in the tax rate was needed to meet rising administrative costs and to build up a larger fund for making advances to States whose unemployment reserves have been depleted because of heavy unemployment. (In the fiscal year 1958–59, the total cost of administration exceeded the proceeds of the tax for the first time, and

[4] H. Rept. 1915, 86th Cong., 2d sess., pages 10–11.

though proceeds were greater than expenditures in 1959–60, the difference was relatively small. As of July 1960, the cash balance in the loan fund had fallen to $3.8 million.)

Beginning with the fiscal year 1960–61, all receipts from the 0.4-percent tax will be credited to a new account—the "employment security administration account." From this account will be paid administrative expenses, with an annual maximum of $350 million allowed for State administrative expenses. (Actual expenditures during the fiscal year 1959–60 were $325 million.) At the end of each fiscal year, receipts of the account in excess of administrative expenses will be transferred to the Federal unemployment account, with a view to building up and maintaining a maximum balance of $550 million or 0.4 percent of taxable payrolls, whichever is greater, for use in making advances to States. The previous maximum for the account was fixed at $200 million.

Any excess of receipts not required to maintain the $550 million balance in the Federal unemployment account will be retained in the employment security administration account until that account shows a net balance of $250 million at the close of a fiscal year. This balance is to be used to provide funds out of which administrative expenses may be paid before receipt of the bulk of Federal unemployment taxes in January and February of each year. Until the balance is built up to $250 million, advances (to be repaid with interest) can be made from a revolving fund, which is to be financed by a continuing appropriation from the general fund of the Treasury. Any remaining excess in the exployment security administration account (after repayment of Treasury advances) will be distributed to the accounts of the individual States in proportion to their respective covered payrolls, as provided under present law. Any share of surplus funds due a State that has an outstanding advance must first be used, however, to reduce this advance.

Advances from loan fund.—The law provides more stringent eligibility requirements for the States to meet in obtaining advances from the Federal unemployment account. Advances will be made only in amounts sufficient to pay unemployment benefits during the current or following month, after taking into account reserves on hand plus expected tax receipts. These requirements apply to advances made after September 13, 1960. Under the old law, advances could be made to a State whose reserve account at the end of the quarter was less than the amount of benefits paid in the 4 preceding quarters, up to the largest amounts paid in any of the 4 quarters.

Provision is also made for speeding up the rate of repayment of advances to the States. The new law provides for a reduction of 0.3 percent a year in the employers' maximum tax credit against the Federal unemployment tax, starting with the second consecutive taxable year that the advance is outstanding. The old law provided for a reduction of 0.15 percent a year, starting with the fourth consecutive year.

Additional annual reductions in the employers' tax credit are provided for States with outstanding advances at the beginning of the third and fourth consecutive year, if the State's average contribution rate in the preceding year was less than 2.7 percent, and at the beginning of the fifth consecutive year if the State's average contribution rate in the preceding year was less than 2.7 percent or less than the State's 5-year benefit-cost rate, whichever is higher.

FEDERAL CREDIT UNIONS

Legislation signed by the President on September 22, 1959 (Public Law 86–354) completely rewrote the Federal Credit Union Act. The amendments, which were the most comprehensive in a quarter of a century, increase the scope of Federal credit union operations, placing greater powers and responsibilities on credit union officials and providing opportunities for added service to members.

Provisions increasing the maximum loan maturity from 3 years to 5 and the unsecured loan limit from $400 to $750 took effect with the passage of the amendments. Loans must be repaid or amortized in accordance with rules and regulations prescribed by the Director of the Bureau of Federal Credit Unions.

The board of directors of individual credit unions is given greater responsibility for internal audits. The supervisory committee, which formerly was elected by the members, must now be appointed by the board of directors for the terms of office specified in the bylaws—a change that places greater responsibility for internal control on the board.

Power is granted Federal credit unions to sell and cash checks and money orders to and for members for a fee. Rules and regulations necessary to enable credit unions to provide these services for their members were published in the *Federal Register* on October 16, 1959.

Other provisions were intended to modernize earlier legislation. Federal credit unions desiring to take advantage of these new provisions are required to amend their bylaws. They include the following:

(1) Authority for the credit committee to appoint a loan officer empowered to approve certain loans previously requiring approval by the credit committee;

(2) Authority to elect more than one vice president;

(3) Authority for the board of directors to appoint an executive committee to act for the board in making investments and in approving membership applications. The board may also appoint a membership officer whose sole function is to approve applications for membership.

(4) The board of directors given responsibility for declaring dividends rather than the members, as under the old act. The board of directors has been given added authority to declare semiannual or annual dividends. Another new provision permits a full month's dividend credit on shares paid up during the first 5 days of the month.

Another provision permits a credit union operating under a Federal charter to convert to operation under a State charter, and vice versa. In addition, the 1959 amendments permit Federal credit unions to amend their bylaws to liberalize restrictions on loans to credit union officials. Directors and committee members may now borrow up to the amount of their shareholdings plus any member's total unencumbered and unpledged shareholdings pledged as security for the loan. Still another provision, requiring no regulatory action by the Bureau or bylaw amendment by the Federal credit union, gives the board of directors the power to provide compensation for necessary clerical and auditing assistance required by the supervisory committee.

The 1960 amendments to the Social Security Act also affect the Federal credit unions. The amendments revise the Internal Revenue Code to extend unemployment insurance coverage to employees of certain Federal credit unions. Beginning January 1, 1962, any Federal credit union employing four or more persons in 20 weeks will be subject to the Federal Unemployment Tax Act. Credit unions will also be subject to the taxing provisions of State unemployment insurance laws. In addition, some Federal credit unions not subject to the Federal Unemployment Tax Act will be required to make contributions to State unemployment funds.

Old-Age, Survivors, and Disability Insurance: Financing Basis and Policy Under the 1960 Amendments

by ROBERT J. MYERS*

CONGRESSIONAL consideration of revisions in the old-age, survivors, and disability insurance program has always included careful study of the cost aspects. In the 1950 amendments, Congress stated its intention that the program be completely self-supporting from the contributions of covered individuals and employers, and accordingly it repealed the provision permitting appropriations to the system from general revenues of the Treasury. All major amendments since then, including those of 1960,[1] have indicated congressional conviction that the tax schedule should make the program as nearly self-supporting as can be foreseen—that is, actuarially sound.

The test of actuarial soundness differs considerably for old-age, survivors, and disability insurance and for private pension plans though there are certain points of similarity. The chief difference is in the application of the concept of "unfunded accrued liability." In general, a private plan that has been functioning for a number of years must have sufficient funds on hand to pay off all accrued liabilities if operations should be terminated. For a national compulsory social insurance program, which can be presumed to continue indefinitely into the future, the test is whether the expected future income from contributions and interest on invested assets will meet anticipated expenditures for benefits and administration. The intent that the program be self-supporting can be expressed in law by a contribution schedule that, according to intermediate-cost estimates, will bring the program into balance, or approximate balance, though future experience may be expected to vary from current estimates.

ACTUARIAL BALANCE IN PAST YEARS

Estimates of the actuarial balance that would develop under the 1952 act were virtually the same as those for the 1950 act; the effect of the rise in earnings levels in the intervening period was believed to about offset the increased cost resulting from the benefit liberalization. Cost estimates made in 1954 indicated that the level-premium cost (the average long-range cost, based on discounting at interest, in relation to payroll) of benefit disbursements and administrative expenses was somewhat more than 0.5 percent of payroll higher than the level-premium equivalent of the scheduled taxes (including allowance for interest on the existing trust fund). The contribution schedule in the 1954 amendments met all the additional cost of the benefit changes and at the same time reduced substantially the actuarial insufficiency that the current estimates had indicated in the financing of the 1952 provisions.

In 1956 the estimates for the 1954 act were revised to take into account the rise in the earnings level since 1951 and 1952—the 2-year period used as the basis for the 1954 estimates. The benefit changes made by the 1956 amendments were fully financed by the increased contribution income provided, and the program's actuarial balance was unaffected.

Cost estimates made in early 1958 indicated that the program was out of actuarial balance by somewhat more than 0.4 percent of payroll. The large number of retirements among the groups newly covered by the 1954 and 1956 legislation had resulted in higher benefit expenditures than those estimated, and the average retirement age had dropped significantly. The 1958 law accordingly provided additional financing for the program, both to reduce the lack of actuarial balance and to finance certain benefit liberalizations.

The revised cost estimates made in 1958 for the disability insurance program contained certain modified assumptions that recognized the emerging experience under that program. As a result, the moderate actuarial surplus originally estimated was increased somewhat.

At the beginning of 1960, the cost estimates for

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[1] For a summary of the amendments, see pages 3–29.

the old-age, survivors, and disability insurance program were reexamined and modified in certain respects. The earnings assumption was changed to reflect the 1959 level, and the assumptions for the disability insurance portion of the program were revised on the basis of newly available data on the operation of the disability provisions. The data showed that the number of persons meeting the insured-status requirements for disability benefits had been significantly overestimated and that the disability experience with respect to eligible women was considerably lower than the original estimate, although the experience for men was close to the intermediate estimate.

The Committee on Ways and Means of the House of Representatives stated in its report [2] on the 1960 legislation that it believes it a matter of concern if either portion of the program shows any significant actuarial insufficiency—more than 0.25 percent of payroll for old-age and survivors insurance and 0.05 percent for disability insurance. Whenever the actuarial insufficiency has exceeded these limits in the past, any subsequent liberalizations in benefits were fully financed by changes in the tax schedule or through other methods, and at the same time the actuarial status of the program was improved. The changes made by the 1960 amendments are in conformity with these principles.

BASIC ASSUMPTIONS FOR COST ESTIMATES

Benefit disbursements may be expected to increase continuously for at least the next 50–70 years because of factors, such as the aging of the population and the slow but steady growth of the benefit rolls, that are inherent in any retirement program in operation for a relatively short period. Estimates of the future costs of the old-age, survivors, and disability insurance program, however, are affected by many other factors difficult to determine. Accordingly, the assumptions used in the actuarial cost estimates may differ widely and yet be reasonable.

The long-term cost estimates are presented in a range to indicate the plausible variation in future costs. Both the low- and high-cost estimates are based on high economic assumptions, intended to represent almost full employment with average annual earnings at about the 1959 level. Intermediate estimates, developed by averaging the low- and high-cost estimates, indicate the basis for the financing provisions.

In general, the costs are shown as percentages of covered payroll—the best measure of the program's financial cost. Dollar figures taken alone are misleading. A higher earnings level, for example, will raise not only the outgo but also and to a greater extent the income of the program. As a result, the cost in relation to payroll will decline.

For the short-range costs (for the years 1960–65), only a single estimate is necessary. It is assumed that the earnings level will rise gradually, paralleling the increase of the past few years. As a result, contribution income is somewhat higher than if level earnings were assumed, and benefit outgo is only slightly affected.

The level-premium contribution rate required to support the program into perpetuity, based on discounting at interest, is an important measure of long-range cost. It is assumed that benefit payments and taxable payrolls remain level after the year 2050. If a level rate based on this assumption were adopted, relatively large accumulations in the old-age and survivors insurance trust fund would result, and consequently sizable eventual income from interest. Even though such a method of financing is not followed, the concept may nevertheless be used as a convenient measure of long-range costs. This is a valuable cost concept, especially in comparing various alternative proposals, since it takes into account the heavy deferred benefit costs.

The long-range cost estimates have not taken into account the possibility of a rise in earnings levels, although such a rise has been characteristic of the past. If such an assumption were used, along with the unlikely assumption that the benefits would nevertheless not be changed, the cost in relation to payroll would be lower. If benefits are adjusted to keep pace with rising earnings trends, the year-by-year costs as a percentage of payroll would be unaffected. The level-premium cost, however, would be higher, since the relative importance of the interest receipts of the trust funds would gradually diminish with the passage of time. If earnings do consistently rise, the financing basis of the program will have to be thoroughly considered because the interest receipts will then meet a smaller proportion of the

[2] H. Rept 1799, 86th Cong., 2d sess.

benefit costs than would be anticipated if the earnings level had not risen.

Amendments made in 1951 to the Railroad Retirement Act affect old-age, survivors, and disability insurance costs. Under these amendments, railroad retirement compensation and any earnings covered by the Social Security Act are combined in determining benefits for those with less than 10 years of railroad service and for all survivor cases.

Under the financial interchange provisions established at the same time, the old-age and survivors insurance trust fund and the disability insurance trust fund are to be maintained in the same financial position in which they would have been if railroad employment had always been covered. It is estimated that in the long run the net effect of these provisions will be a relatively small loss to the old-age, survivors, and disability insurance program, since the reimbursements from the railroad retirement system will be somewhat smaller than the net additional benefits paid on the basis of railroad earnings.

The financing of old-age, survivors, and disability insurance is also affected by the 1956 legislation that provided for reimbursement from general revenues for past and future expenditures with respect to the noncontributory credits that had been granted for persons in military service before 1957. The cost estimates presented here reflect the effect of these reimbursements (included as contributions), based on the assumption that the required appropriations will be made in 1961 and later years.

RESULTS OF INTERMEDIATE-COST ESTIMATES

The long-range intermediate-cost estimates are developed from the low- and high-cost estimates by averaging them (using the dollar estimates and developing therefrom the corresponding estimates related to payroll). The intermediate-cost figures presented are not the most probable estimate but a convenient and readily available single set of figures to use for comparative purposes.

A single estimate is necessary in the development of a tax schedule intended to make the system self-supporting. Any specific schedule will necessarily be somewhat different from what will actually be required to obtain exact balance between contributions and benefits. Such a schedule, however, does make the intention specific, even though it may develop from actual experience that future changes may be necessary. Likewise, exact self-support cannot be obtained from a specific set of integral or rounded fractional tax rates increasing in orderly intervals, but the principle of self-support should be aimed at as closely as possible.

The schedule for contributions and the annual maximum earnings base ($4,800) to which these tax rates are applied are unchanged by the 1960 amendments. The schedules are as follows:

[Percent]

Calendar year	Employee rate (same for employer)	Rate for self-employed
1960–62	3	4½
1963–65	3½	5¼
1966–68	4	6
1969 and thereafter	4½	6¾

The 1960 amendments revised the basis for determining the interest rate on public-debt obligations issued for purchase by the trust funds (special issues), which constitute a major portion of the investments of the trust funds.[3] This change will have the immediate effect of gradually increasing the interest income of the trust funds. The ultimate effect will probably be only a slight increase in interest income since, over the long run, the market rates and the coupon rates on long-term Government obligations tend to be about the same.

The gain in the immediate future and the small, possible long-run advantage of the new interest basis are reflected in the cost estimates for the 1960 amendments by using a level interest rate of 3.02 percent for the level-premium calculations. This rate is the overall equivalent of the varying interest rates, developed on a year-by-year basis, used in the development of the progress of the trust funds. These varying interest rates have been estimated from the existing maturity schedule of special issues and from assumed average market rates on long-term Government obligations, running from their present level of about 4 percent down to about 3 percent ultimately. The interest rate used in the cost estimates for the

[3] See page 23 of this issue for a description of the revision.

1958 act was 3 percent (except that in developing the progress of the trust funds a slightly lower rate was used for the first few years).

The 1960 amendments will increase the lack of actuarial balance of the old-age and survivors insurance system from 0.20 to 0.24 percent of payroll (table 1). The disability insurance system will have a lack of actuarial balance of 0.06 percent of payroll under the amendments, compared with the 0.15-percent actuarial surplus under the 1958 provisions. The effect of the amendments on the combined old-age, survivors, and disability insurance system will be an actuarial deficit of 0.30 percent of payroll, which is well within the margin of variation possible in actuarial cost estimates and which is about the same as has generally prevailed in the past when the system has been considered to be in substantial actuarial balance. If the cost estimates had been based on an interest rate higher than 3.02 percent, the lack of actuarial balance would have been considerably less than 0.30 percent of payroll. In fact, if an interest rate of 3½ percent had been hypothesized, the cost estimates would show no actuarial deficit.

TABLE 1.—*Actuarial balance of the old-age, survivors, and disability insurance program under various acts, based on intermediate-cost estimate*

[Percent]

Legislation	Date of estimate	Level-premium equivalent [1]		
		Benefit costs [2]	Contributions	Actuarial balance [3]
	Old-age, survivors, and disability insurance[4]			
1950 act	1950	6.05	5.95	−0.10
1952 act	1952	5.85	5.75	−.10
1952 act	1954	6.62	6.05	−.57
1954 act	1954	7.50	7.12	−.38
1954 act	1956	7.45	7.29	−.16
1956 act	1956	7.85	7.72	−.13
1956 act	1958	8.25	7.83	−.42
1958 act	1958	8.76	8.52	−.24
1958 act	1960	8.73	8.68	−.05
1960 act	1960	8.98	8.68	−.30
	Old-age and survivors insurance [4]			
1956 act	1956	7.43	7.23	−0.20
1956 act	1958	7.90	7.33	−.57
1958 act	1958	8.27	8.02	−.25
1958 act	1960	8.38	8.18	−.20
1960 act	1960	8.42	8.18	−.24
	Disability insurance [4]			
1956 act	1956	0.42	0.49	+0.07
1956 act	1958	.35	.50	+.15
1958 act	1958	.49	.50	+.01
1958 act	1960	.35	.50	+.15
1960 act	1960	.56	.50	−.06

[1] Percent of taxable payroll.
[2] Includes adjustments to reflect (a) the lower contribution rate for the self-employed, compared with the combined employer-employee rate, (b) interest earnings on the existing trust fund, and (c) administrative expenses.
[3] A negative figure indicates the extent of lack of actuarial balance; a positive figure indicates more than sufficient financing, according to the estimate.
[4] The disability insurance program was established by the 1956 act; data for earlier years are for the old-age and survivors insurance program only.

Table 2 traces the change in the actuarial balance of the program from its situation under the 1958 act, according to the latest estimate, to that under the 1960 law.

It should be emphasized that in 1950 and in subsequent amendments, Congress did not recommend a high level tax rate in the future but rather an increasing schedule, which, of necessity, ultimately rises higher than the level-premium rate. Nevertheless, this graded tax schedule will produce a considerable excess of income over outgo for many years so that a sizable trust fund, although less than that under a level-premium tax rate, will develop. This fund will be invested in Government securities. The resulting interest income will help to bear part of the higher benefit costs of the future.

The level-premium cost of the old-age and survivors insurance benefits (without considering administrative expenses and the effect of interest earnings on the existing trust fund) under the 1958 act, according to the latest intermediate-cost estimate, was about 8.5 percent of payroll. For the 1960 act it is about the same. The corresponding figures for the disability benefits are 0.35 percent for the 1958 act and 0.56 percent for the 1960 act (table 3).

The level-premium contribution rates equivalent to the graded schedules in the 1958 and 1960 acts may be computed in the same manner as level-premium benefit costs. They are shown for income and disbursements after 1959 in table 1, which also shows the net actuarial balances.

TABLE 2.—*Changes in estimated level-premium cost of benefit payments as percent of taxable payroll, by type of change, based on intermediate-cost estimate, 1958 act and 1960 act*

Item	Change under 1960 act (percent)
Old-age and survivors insurance benefits:	
Lack of balance (−) under 1958 act	−0.20
Increase in child survivor benefits	−.02
Liberalization of retirement test	−.02
Liberalization of fully insured status	−.02
Improved yield of trust fund investments	+.02
Effect of increased coverage	----------
Lack of balance (−)	−.24
Disability insurance benefits:	
Surplus (+) under 1958 act	+0.15
Elimination of age-50 requirement	−.20
Other changes [1]	−.01
Lack of balance (−)	−.06

[1] Elimination of second waiting period for recurrence of disability within 5 years and liberalization of trial work period.

Under the 1960 act, the estimated increase (about $10 million) in old-age and survivors insurance benefit disbursements for the calendar year 1960 is not significant, since the provisions affecting disbursements in general become effective late in the year. There will, of course, be virtually no additional income during 1960 since the coverage extensions are generally effective on January 1, 1961.

The Next Five Years

In 1961, old-age and survivors insurance benefit disbursements under the new law will total about $11.7 billion—about $250 million more than under the previous law. Contribution income will be about the same—$11.5 billion—as under the old law. Thus, the excess of benefit outgo over contribution income will be about $150 million under the 1960 act, compared with an excess of contribution income over benefit outgo of about $50 million under the old law. The size of the old-age and survivors insurance trust fund will decrease by about $150 million since the interest receipts approximately equal the outgo for administrative expenses and for transfers to the railroad retirement account.

In 1962, old-age and survivors insurance benefit disbursements under the 1960 act will, according to the intermediate-cost estimate, be $12.3 billion, or an increase of $300 million from disbursements under the 1958 law. At the same time, contribution income will be $11.8 billion under the new law. Accordingly, in 1962, there will be an excess of benefit outgo over contribution income of about $500 million under the new law; under the previous law the corresponding figure would be $200 million. The situation will be reversed thereafter because of the scheduled rise in the tax rate, and contributions will exceed benefit outgo by almost $1.0 billion in 1963 and about $1.2 billion in 1964.

Under the 1960 act, according to this estimate, the old-age and survivors insurance trust fund will decline from $20.2 billion at the end of 1960 to $20.0 billion at the end of 1961 and to $19.5 billion at the end of 1962. At the end of 1963, however, it is estimated that it will rise to $20.6 billion.

Disability insurance benefit disbursements for 1960 will be increased by about $20 million under the new law, since the elimination of the age limitation will be effective for benefits for November

TABLE 3.—*Estimated level-premium cost of benefit payments, administrative expenses, and interest earnings on existing trust funds under the 1960 act as percent of taxable payroll,[1] by type of benefit, based on intermediate-cost estimate at 3.02-percent interest*

[Percent]

Item	Old-age and survivors insurance	Disability insurance
Old-age (primary) benefits	5.98	0.44
Wife's benefits	.58	.05
Widow's benefits	1.25	(2)
Parent's benefits	.02	(2)
Child's benefits	.45	.07
Mother's benefits	.11	(2)
Lump-sum death payments	.12	(2)
Total benefits	8.51	.56
Administrative expenses	.10	.02
Interest on existing trust fund[3]	−.19	−.02
Net total level-premium cost	8.42	.56

[1] Includes adjustment to reflect the lower contribution rate for the self-employed, compared with the combined employer-employee rate.
[2] Not payable under this program.
[3] Offsets costs of benefits and administrative expenses.

TABLE 4.—*Progress of the old-age and survivors insurance trust fund under the 1960 act, high-employment assumptions, based on intermediate-cost estimate at 3.02-percent interest*

[In millions]

Calendar year	Contributions[1]	Benefit payments	Administrative expenses	Railroad retirement financial interchange[2]	Interest on fund[3]	Balance in fund[4]
Actual data:						
1951	$3,367	$1,885	$81	--------	$417	$15,540
1952	3,819	2,194	88	--------	365	17,442
1953	3,945	3,006	88	--------	414	18,707
1954	5,163	3,670	92	--------	468	20,576
1955	5,713	4,968	119	--------	461	21,663
1956	6,172	5,715	132	--------	531	22,519
1957	6,825	7,347	[5] 162	--------	557	22,393
1958	7,566	8,327	[5] 194	−$121	549	21,864
1959	8,052	9,842	[5] 184	−275	525	20,141
Estimated data (short-range estimate):						
1960	10,747	10,726	205	−308	503	20,152
1961	11,486	11,658	227	−270	520	20,003
1962	11,790	12,326	221	−250	530	19,526
1963	13,882	12,913	223	−270	558	20,560
1964	14,609	13,424	225	−265	620	21.875
1965	14,925	13,880	229	−250	694	23,135
Estimated data (long-range estimate):						
1970	20,006	16,132	245	−160	1,289	41,270
1975	21,673	19,044	260	−91	1,846	63,305
1980	23,327	22,092	270	1	2,377	81,581
2000	31,477	30,704	356	86	4,101	140,161
2020	38,291	42,127	456	86	7,779	263,268

[1] Includes reimbursement for additional cost of noncontributory credit for military service.
[2] A positive figure indicates payment to the trust fund from the railroad retirement account, and a negative figure indicates the reverse. Interest payment adjustments between the two systems are included in the "interest" column.
[3] An interest rate of 3.02 percent is used in determining the level-premium costs, but in developing the progress of the trust fund a varying rate in the early years has been used, equivalent to such fixed rate.
[4] Excludes amounts in the railroad retirement account creditable to the old-age and survivors insurance trust fund—$377 million for 1953, $284 million for 1954, $163 million for 1955, and $60 million for 1956.
[5] Figures for 1957 and 1958 are artificially high and for 1959 too low because of the method of reimbursements between this trust fund and the disability insurance trust fund.

(payable at the beginning of December). There will be virtually no additional contribution income to the trust fund during the year. In 1961, benefit disbursements under the new law will total about $800 million, or $200 million more than the amount under the previous law. Nevertheless, under the 1960 act, contribution income in 1961 will exceed benefit outgo by about $240 million. In 1962 and the years immediately following, contribution income will also be well in excess of benefit outgo.

The Long-Range Future

Table 4 gives the estimated operation of the old-age and survivors insurance trust fund for the long-range future, based on the intermediate-cost estimate. It will be recognized that the figures for the next two or three decades are the most reliable (under the assumption of level-earnings trends in the future) since most of the populations concerned—covered workers and beneficiaries—are already born. As the estimates proceed further into the future, there is more uncertainty—if for no reason other than the relative difficulty in predicting future birth trends—but it is desirable and necessary to consider these long-range possibilities under a social insurance program that is intended to operate in perpetuity.

In every year after 1962 for the next 20 years, contribution income under the 1960 act is estimated to exceed old-age and survivors insurance benefit disbursements. Even after the benefit-outgo curve rises ahead of the contribution-income curve, the trust fund will continue to increase because of the effect of interest earnings (which more than meet the administrative expense disbursements and any financial interchanges with the railroad retirement program). As a result, this trust fund is estimated to grow steadily, reaching $41 billion in 1970, $82 billion in 1980, and more than $140 billion at the end of this century. The trust fund is estimated to reach a maximum of about $275 billion in the year 2025 and then begin to decline. The fund, according to this estimate, will not become exhausted until about a century hence.

The disability insurance trust fund, under the 1960 act, will grow steadily for about the next 10 years and then decrease slowly, according to the intermediate-cost estimate (table 5). In 1970, it is estimated at $3.4 billion and in 1980 at $2.4 billion. There will be an excess of contribution income over benefit disbursements for every year up to about 1966, and even thereafter the trust fund will continue to grow because of its interest earnings. This fund will decline after 1970, which is to be expected since the level-premium cost of the disability benefits, according to the intermediate-cost estimate, is slightly higher than the level-premium income—0.50 percent of pay-

TABLE 5.—*Progress of the disability insurance trust fund under the 1960 act, high-employment assumptions, based on intermediate-cost estimate at 3.02-percent interest*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund [2]	Balance in fund
Actual data:					
1957	$702	$57	[3] $3	$7	$649
1958	966	249	[3] 12	25	1,379
1959	891	457	[3] 50	41	1,825
Estimated data (short-range estimate):					
1960	1,012	570	44	53	2,276
1961	1,040	802	52	65	2,527
1962	1,066	864	51	76	2,754
1963	1,092	924	53	88	2,957
1964	1,126	978	55	98	3,148
1965	1,154	1,029	57	107	3,323
Estimated data (long-range estimate):					
1970	1,177	1,229	53	111	3,354
1975	1,275	1,401	58	95	3,108
1980	1,372	1,550	62	75	2,438
2000	1,852	2,048	80	([4])	([4])
2020	2,252	2,701	103	([4])	([4])

[1] Includes reimbursement for additional cost of noncontributory credit for military service and transfers to or from the railroad retirement account under the financial interchange provisions of the Railroad Retirement Act.
[2] An interest rate of 3.02 percent is used in determining the level-premium costs, but in developing the progress of the trust fund a varying rate in the early years has been used, equivalent to such fixed rate.
[3] Figures for 1957 and 1958 are artificially low and for 1959 too high because of the method of reimbursements between this trust fund and the old-age and survivors insurance trust fund.
[4] Fund exhausted in 1993.

TABLE 6.—*Estimated progress of the old-age and survivors insurance trust fund under the 1960 act, high-employment assumptions, based on low-cost and high-cost estimates*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Railroad retirement financial interchange [2]	Interest on fund	Balance in fund
Low-cost estimate:						
1970	$20,061	$15,790	$230	−$100	$1,420	$45,530
1975	21,873	18,494	240	−41	2,090	71,951
1980	23,821	21,168	250	41	2,841	98,122
2000	34,065	27,807	332	126	7,521	259,577
High-cost estimate:						
1970	19,951	16,476	260	−220	1,157	36,974
1975	21,474	19,594	280	−141	1,600	54,617
1980	22,833	23,014	290	−39	1,913	64,999
2000	28,888	33,603	379	46	680	[3] 20,068

[1] Includes reimbursement for additional cost of noncontributory credit for military service.
[2] A positive figure indicates payments to the trust fund from the railroad retirement account, and a negative figure indicates the reverse.
[3] Fund exhausted in 2005.

roll. As the experience develops, it will be necessary to study it carefully to determine if the actuarial cost factors used are appropriate or if the financing basis needs to be modified. The use of slightly less conservative cost factors would result in the cost estimates for the disability insurance system probably showing complete actuarial balance, with a trust fund that would grow steadily and level off rather than declining.

RESULTS OF COST ESTIMATES ON RANGE BASIS

Table 6 and table 7 show the estimated operation of the two trust funds for the low- and high-cost estimates. Under the low-cost estimate, the old-age and survivors insurance trust fund will build up rapidly, reaching about $260 billion in the year 2000, when it will be growing at a rate of about $14 billion a year. Likewise, the disability insurance trust fund will grow steadily under the low-cost estimate, reaching about $10 billion in 1980 and $26 billion in the year 2000, when its annual rate of growth will be about $1 billion. For both trust funds, under these estimates, benefit disbursement after 1962 will not exceed contribution income in any year in the foreseeable future.

Under the high-cost estimate the old-age and survivors insurance trust fund will build up to a maximum of about $65 billion in about 25 years but decrease thereafter until it is exhausted shortly after the year 2000. Under this estimate, benefit disbursements will be less than contribution income during all years after 1962 and before 1980.

TABLE 7.—*Estimated progress of the disability insurance trust fund under the 1960 act, high-employment assumptions, based on low-cost and high-cost estimates*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund	Balance in fund
Low-cost estimate:					
1970	$1,180	$934	$51	$180	$5,622
1975	1,287	1,049	55	223	7,599
1980	1,401	1,160	58	285	9,805
2000	2,004	1,573	78	743	25,537
High-cost estimate:					
1970	1,174	1,525	55	42	1,089
1975	1,263	1,752	62	(2)	(2)
1980	1,343	1,943	66	(2)	(2)
2000	1,699	2,522	82	(2)	(2)

[1] Includes reimbursement for additional cost of noncontributory credit for military service and transfers to or from the railroad retirement account under the financial interchange provisions of the Railroad Retirement Act.
[2] Fund exhausted in 1973.

TABLE 8.—*Estimated cost of benefits of the old-age, survivors, and disability insurance program as percent of payroll,[1] under the 1960 act*

[Percent]

Calendar year	Low-cost estimate	High-cost estimate	Intermediate-cost estimate [2]
Old-age and survivors insurance benefits:			
1970	6.69	7.02	6.85
1980	7.55	8.57	8.05
1990	7.73	9.78	8.71
2000	6.94	9.89	8.29
2025	7.81	13.01	9.97
2050	9.90	14.85	11.81
Level-premium cost [3]	7.40	9.65	8.42
Disability insurance benefits:			
1970	0.40	0.65	0.52
1980	.41	.72	.56
1990	.39	.71	.54
2000	.39	.74	.55
2025	.45	.82	.60
2050	.49	.85	.63
Level-premium cost [3]	.42	.73	.56

[1] Takes into account the lower contribution rate for the self-employed, compared with the combined employer-employee rate.
[2] Based on the average of the dollar costs under the low-cost and high-cost estimates.
[3] Level-premium contribution rate, at 3.02-percent interest, for benefits after 1959, taking into account (a) interest on the trust fund as of Dec. 31, 1959, (b) future administrative expenses, and (c) the lower contribution rates payable by the self-employed.

In the early years of operation of the disability insurance trust fund, under the high-cost estimate, contribution income will be about the same as benefit outgo. Accordingly, the fund, as shown by this estimate, will be about $2.5 billion during 1961–64 and will then slowly decrease until it is exhausted in 1973.

These results are consistent and reasonable, since the system on an intermediate-cost-estimate basis is intended to be approximately self-supporting. Accordingly, a low-cost estimate should show that the system is more than self-supporting, but a high-cost estimate should show that a deficiency (on a cash-income versus cash-outgo basis) would develop in later years. In actual practice, under the philosophy set forth in the congressional committee reports on the 1950 and subsequent acts, the tax schedule would be adjusted in future years so that none of the developments described above would happen.

Thus, if experience followed the low-cost estimate, and if the benefit provisions were not changed, the contribution rates would probably be adjusted downward—or perhaps would not be increased in future years according to schedule. If, however, the experience followed the high-cost estimate, the contribution rates would have to be raised above those scheduled. At any rate, the high-cost estimate indicates that, under the tax schedule adopted, there will be ample funds to

(*Continued on page 51*)

Social Welfare Expenditures, 1958-59

by IDA C. MERRIAM*

DIRECT EXPENDITURES for income-maintenance, health, education, and other social welfare services under government programs amounted to just under $50 billion or almost 11 percent of the gross national product in the 12 months ending June 30, 1959. If expenditures for general education are omitted, the total direct public expenditures for social security, health, and other welfare programs amounted to $33 billion; they were $32 billion if veterans' educational benefits are also excluded.

The expenditure figures in this series include relatively small amounts—about $1 billion in the fiscal year 1958–59—paid as benefits under statutory workmen's compensation and temporary disability insurance programs but not from public (tax) revenues. Since these programs are compulsory and the benefits specified in statutes, it is appropriate to include the payments in any analysis of the protection available through public programs, whether the risk is insured through private carriers, through State or Federal funds, or is self-insured. In comparing social welfare expenditures with total government expenditures for all purposes, however, these "private" mandated benefit payments are omitted.

Total expenditures under all the programs included in this series were about 10 percent higher in 1958–59 than in the preceding year. From 1956–57 to 1957–58 the increase had been considerably larger—16 percent. Adverse economic conditions in 1957 and 1958 had resulted in a jump in unemployment insurance payments. Disability benefits under old-age, survivors, and disability insurance were first paid in August 1957; higher benefit rates were also reflected in the 1957–58 expenditures under that program. Public expenditures for education had also increased by $1.6 billion from the fiscal year 1956–57 to 1957–58.

There was a slowing down in the rate of increase in all these programs in 1958–59. Expenditures for elementary and secondary education (other than for construction) increased only $0.7 billion (5.5 percent), compared with $1.3 billion (10.5 percent) in 1957–58. Current expenditures for higher education also increased less rapidly, but the difference was smaller, and public expenditures for construction at all levels continued to rise.

Aggregate unemployment benefit payments in 1958–59 were larger than in the preceding year, but the increase was only $0.4 billion,[1] compared with $1.5 billion in 1957–58. Unemployment benefits paid from State and local funds actually decreased by $85 million in 1958–59, but the decline was more than made up by an increase in expenditures of Federal funds under the temporary unemployment compensation program and the federally financed programs for veterans and Federal employees. The temporary program, which provided for advances of Federal funds to the States for additional weeks of benefit payments to workers exhausting their benefit rights under the State unemployment insurance laws, became effective in mid-June of 1958.

Primarily because of the temporary unemployment compensation program but also because of increases in some of the Federal grant programs, the 1958–59 increase in Federal spending for social welfare programs ($2.9 billion or 15 percent) was considerably larger than the increase in State and local expenditures for such purposes ($1.8 billion or 7 percent). However, total expenditures from State and local funds for health, education, and welfare programs were still, as in earlier years, larger than total expenditures from Federal funds for these purposes.

Of the $50 billion spent under all the programs in 1958–59, $27 billion or 54 percent came from State and local government revenues or payments under State workmen's compensation and temporary disability insurance programs. The picture is somewhat different if social insurance programs financed from earmarked contributions are omitted. Of the $34 billion of social welfare ex-

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[1] The article on social welfare expenditures in the October 1959 issue of the *Bulletin* reported an increase of $0.7 billion in 1958–59. This estimate was based on preliminary data and on gross instead of net expenditures.

penditures financed from general revenues in 1958–59, $22 billion or 65 percent came from State and local funds, and a substantial part—about $3 billion—of the Federal expenditures represented grants to the States for programs administered by the States or localities.

Table 1.—*Social welfare expenditures under public programs, selected fiscal years 1934–35 through 1958–59* [1]

[In millions; revised estimates]

Program	1934–35	1939–40	1944–45	1949–50	1954–55	1956–57	1957–58	1958–59
	Total expenditures							
Total	$6,739.8	$8,952.8	$8,863.7	$23,053.8	$32,127.7	$38,740.1	$44,926.3	$49,552.3
Social insurance	383.9	1,216.4	1,363.6	4,762.7	9,878.3	12,463.5	15,966.4	18,268.6
Old-age, survivors, and disability insurance	....	28.1	266.8	784.1	4,436.3	6,665.9	8,221.1	9,615.9
Railroad retirement	....	115.7	143.7	304.4	575.6	676.8	728.2	777.6
Public employee retirement [2]	210.0	254.5	382.8	743.4	1,379.5	1,785.3	2,026.3	2,342.5
Unemployment insurance and employment service [3]	....	551.7	161.8	2,081.8	2,114.0	1,841.6	3,312.4	3,717.9
Railroad unemployment insurance	....	18.9	4.3	119.6	158.6	88.1	176.0	200.2
Railroad temporary disability insurance	....	....	....	31.1	54.2	52.0	54.6	57.0
State temporary disability insurance, total	....	....	5.1	72.3	217.5	270.2	304.3	327.5
Hospital and medical benefits [4]	....	....	....	2.2	20.0	26.3	31.9	38.3
Workmen's compensation, total [5]	173.9	247.5	399.1	626.2	942.6	1,083.6	1,143.5	1,230.0
Hospitalization and medical benefits [4]	65.0	90.0	122.0	193.0	315.0	355.0	370.0	395.0
Public aid	2,997.6	3,597.7	1,030.5	2,496.2	3,003.0	3,308.5	3,615.5	3,997.9
Public assistance [6]	623.9	1,123.3	1,028.8	2,490.2	2,941.1	3,230.6	3,539.6	3,890.9
Vendor medical payments	....	....	....	....	211.9	287.6	320.2	410.0
Other [7]	2,373.7	2,474.4	1.7	6.0	61.9	77.9	75.9	107.0
Health and medical programs [8]	537.0	697.2	1,936.9	2,344.3	2,914.0	3,402.4	3,725.6	4,382.2
Hospital and medical care	378.0	460.0	1,585.7	1,506.0	2,052.1	2,261.0	2,552.8	2,982.3
Civilian programs	339.0	415.0	485.7	1,174.0	1,449.5	1,707.0	1,881.5	2,237.2
Defense Department and Medicare	39.0	45.0	1,100.0	332.0	602.6	554.0	671.3	745.1
Maternal and child health services [9]	....	13.8	62.0	29.8	92.9	113.2	122.1	133.4
Medical research [10]	....	3.0	15.0	51.3	99.8	172.9	227.5	287.4
Other public health activities [11]	124.0	179.5	222.8	328.4	315.8	414.1	349.3	418.7
Medical-facilities construction	35.0	41.0	51.5	428.8	353.3	441.2	473.9	560.4
Defense Department	(4)	(4)	(4)	(4)	8.9	83.4	66.2	34.3
Other	35.0	41.0	51.5	428.8	344.4	357.8	407.7	526.1
Other welfare services	139.3	114.1	195.3	401.6	580.2	782.6	907.1	1,020.1
Vocational rehabilitation, total	2.2	4.1	10.2	30.0	41.4	65.6	80.1	90.3
Medical rehabilitation [4]	.2	.4	1.4	7.4	9.2	12.7	14.9	16.6
Institutional and other care [12]	111.1	65.0	67.5	107.9	165.4	195.2	327.4	377.5
School lunch [13]	....	....	47.4	158.7	238.3	362.1	323.3	366.3
Child welfare [14]	26.0	45.0	70.2	104.9	135.1	159.7	176.4	186.0
Veterans' programs [15]	449.8	535.0	914.2	6,529.1	4,369.3	4,691.3	5,006.5	5,093.7
Pensions and compensation	390.2	447.8	755.9	2,092.8	2,712.3	2,906.5	3,147.7	3,325.6
Readjustment allowances	....	....	24.1	148.3	....	....	....	....
Health and medical services	58.9	86.2	114.5	745.8	761.1	779.8	837.4	894.6
Hospital and medical care	56.0	72.1	96.3	585.9	722.0	732.9	794.1	836.0
Hospital construction	2.9	14.1	16.2	156.2	33.0	36.8	33.3	45.7
Medical research	....	.1	2.0	3.7	6.1	10.1	10.0	12.9
Education	....	....	9.7	2,689.1	699.9	811.0	731.2	602.7
Welfare and other	.7	1.0	10.0	853.1	196.0	194.0	290.2	270.7
Education	2,232.2	2,788.2	3,412.2	6,507.9	11,294.3	13,972.2	15,571.1	16,633.8
Elementary and secondary, total	(16)	(16)	(16)	5,745.7	10,046.3	12,347.5	13,646.4	14,394.9
Construction	(16)	(16)	(16)	1,018.7	2,362.4	2,991.7	3,109.5	3,314.7
Higher education and other, total	(16)	(16)	(16)	762.2	1,248.0	1,624.7	1,924.7	2,238.9
Construction	(16)	(16)	(16)	217.2	312.1	454.8	565.6	676.0
Public housing [17]	....	4.2	11.0	12.0	88.6	119.6	134.1	156.1
	From Federal funds							
Total	$3,016.7	$3,292.9	$3,511.2	$10,028.2	$13,898.6	$17,269.6	$19,724.8	$22,601.3
Social insurance	98.9	350.2	704.8	1,911.1	6,428.8	8,917.7	10,864.7	13,028.2
Old-age, survivors, and disability insurance	....	28.1	266.8	784.1	4,436.3	6,665.9	8,221.1	9,615.9
Railroad retirement	....	115.7	143.7	304.4	575.6	676.8	728.2	777.6
Public employee retirement [2]	90.0	107.5	184.8	433.4	799.5	1,039.3	1,185.3	1,377.5
Unemployment insurance and employment service [3]	....	65.8	90.5	213.6	354.1	337.1	436.9	927.7
Railroad unemployment insurance	....	18.9	4.3	119.6	158.6	88.1	176.0	200.2
Railroad temporary disability insurance	....	....	....	31.1	54.2	52.0	54.6	57.0
Workmen's compensation, total	8.9	14.2	14.7	25.1	50.5	58.5	62.6	72.3
Hospitalization and medical benefits [4]	3.0	5.2	4.7	5.2	6.9	7.3	7.9	8.2
Public aid	2,373.7	2,244.9	420.1	1,103.2	1,504.2	1,690.0	1,835.0	2,082.1
Public assistance [6]	....	280.1	418.4	1,097.2	1,442.3	1,612.1	1,759.1	1,975.1
Vendor medical payments	....	....	....	....	23.3	37.6	74.6	150.9
Other [7]	2,373.7	1,964.8	1.7	6.0	61.9	77.9	75.9	107.0
Health and medical programs [8]	60.0	99.2	1,241.9	661.2	964.9	1,161.6	1,268.4	1,434.8
Hospital and medical care	48.0	50.0	1,115.7	383.0	673.1	643.0	762.8	846.5
Civilian programs	9.0	5.0	15.7	51.0	70.5	89.0	91.5	101.4
Defense Department and Medicare	39.0	45.0	1,100.0	332.0	602.6	554.0	671.3	745.1
Maternal and child health services [9]	....	7.8	55.2	20.1	23.7	31.0	32.9	33.3
Medical research [10]	....	3.0	15.0	51.3	99.8	172.9	214.5	271.4
Other public health activities [11]	12.0	37.5	54.6	80.0	75.0	140.5	59.3	77.2
Medical-facilities construction	....	1.0	1.5	126.8	93.3	174.2	198.9	206.4
Defense Department	....	(4)	(4)	(4)	8.9	83.4	66.2	34.3
Other	....	1.0	1.5	126.8	84.4	90.8	132.7	172.1
Other welfare services	2.1	9.7	87.0	166.7	244.2	373.7	344.3	383.1
Vocational rehabilitation, total	1.0	2.0	7.5	21.0	26.4	42.0	51.4	57.4
Medical rehabilitation [4]	.1	.2	.7	3.7	5.7	7.9	9.3	10.4
Institutional and other care [12]	1.1	6.1	16.0	21.7	41.4	33.2	43.4	37.5
School lunch [13]	....	(16)	47.4	119.7	169.3	290.4	239.7	275.
Child welfare	....	1.6	16.1	4.2	7.1	8.1	9.8	12

See footnotes at end of table.

TABLE 1.—*Social welfare expenditures under public programs, selected fiscal years 1934–35 through 1958–59* [1]—Continued

[In millions; revised estimates]

Program	1934-35	1939-40	1944-45	1949-50	1954-55	1956-57	1957-58	1958-59
	From Federal funds—Continued							
Veterans' programs [15]	449.8	535.0	914.2	6,067.1	4,307.7	4,652.0	4,885.1	5,032.6
Pensions and compensation	390.2	447.8	755.9	2,092.8	2,712.3	2,906.5	3,147.7	3,325.6
Readjustment allowances			24.1	148.3	-----	-----	-----	-----
Health and medical services	58.9	86.2	114.5	745.8	761.1	779.8	837.4	894.6
Hospital and medical care	56.0	72.1	96.3	585.9	722.0	732.9	794.1	836.0
Hospital construction	2.9	14.1	16.2	156.2	33.0	36.8	33.3	45.7
Medical research	-----	.1	2.0	3.7	6.1	10.1	10.0	12.9
Education	-----	-----	9.7	2,689.1	699.9	811.0	731.2	602.7
Welfare and other	.7	1.0	10.0	391.1	134.4	154.7	168.8	209.6
Education	32.2	49.7	132.2	106.9	374.8	374.0	416.9	512.8
Elementary and secondary, total	([16])	([16])	([16])	63.9	315.4	297.9	321.7	348.9
Construction	([16])	([16])	([16])	5.2	139.3	83.9	89.1	80.7
Higher education and other, total	([16])	([16])	([16])	43.0	59.4	76.1	95.2	163.9
Construction	([16])	([16])	([16])	5.9	5.4	3.3	3.4	1.0
Public housing [17]	-----	4.2	11.0	12.0	74.0	100.6	110.4	127.7
	From State and local funds							
Total	$3,723.1	$5,659.9	$5,352.5	$13,025.6	$18,229.1	$21,470.4	$25,201.5	$26,951.0
Social insurance	285.0	866.2	658.8	2,851.6	3,449.5	3,545.7	5,101.7	5,240.3
Public employee retirement [2]	120.0	147.0	198.0	310.0	580.0	746.0	841.0	965.0
Unemployment insurance and employment service	-----	485.9	71.3	1,868.2	1,759.9	1,504.5	2,875.5	2,790.2
State temporary disability insurance, total	-----	-----	5.1	72.3	217.5	270.2	304.3	327.5
Hospital and medical benefits [4]	-----	-----	-----	2.2	20.0	26.3	31.9	38.3
Workmen's compensation, total [5]	165.0	233.3	384.4	601.1	892.1	1,025.0	1,080.9	1,157.6
Hospitalization and medical benefits [4]	62.0	84.8	117.3	187.8	308.1	347.7	362.1	386.8
Public aid	623.9	1,352.8	610.4	1,393.0	1,498.8	1,618.5	1,780.5	1,915.8
Public assistance [6]	623.9	843.2	610.4	1,393.0	1,498.8	1,618.5	1,780.5	1,915.8
Vendor medical payments	-----	-----	-----	-----	188.6	250.0	245.6	259.1
Other [7]	-----	509.6	-----	-----	-----	-----	-----	-----
Health and medical programs [8]	477.0	598.0	695.0	1,683.1	1,949.1	2,240.8	2,457.2	2,947.4
Hospital and medical care	330.0	410.0	470.0	1,123.0	1,379.0	1,618.0	1,790.0	2,135.8
Maternal and child health services [9]	-----	6.0	6.8	9.7	69.2	82.2	89.2	100.1
Medical research	-----	-----	-----	-----	-----	([16])	13.0	16.0
Other public health activities [11]	112.0	142.0	168.2	248.4	240.8	273.6	290.0	341.5
Medical-facilities construction	35.0	40.0	50.0	302.0	260.0	267.0	275.0	354.0
Other welfare services	137.2	104.4	108.3	234.9	336.0	408.9	562.8	637.0
Vocational rehabilitation, total	1.2	2.1	2.7	9.0	15.0	23.6	28.7	32.9
Medical rehabilitation [4]	.1	.2	.7	3.7	3.5	4.8	5.6	6.2
Institutional and other care [12]	110.0	58.9	51.5	86.2	124.0	162.0	284.0	340.0
School lunch [13]	([16])	([16])	([16])	39.0	69.0	71.7	83.6	90.4
Child welfare [14]	26.0	43.4	54.1	100.7	128.0	151.6	166.6	173.7
Veterans' programs [15]	-----	-----	-----	462.0	61.6	39.3	121.4	61.1
Education	2,200.0	2,738.5	3,280.0	6,401.0	10,919.5	13,598.2	15,154.2	16,121.0
Elementary and secondary, total	([16])	([16])	([16])	5,681.8	9,730.9	12,049.6	13,324.7	14,046.0
Construction	([16])	([16])	([16])	1,013.5	2,223.1	2,907.8	3,020.4	3,234.0
Higher education and other, total	([16])	([16])	([16])	719.2	1,188.6	1,548.6	1,829.5	2,075.0
Construction	([16])	([16])	([16])	211.3	306.7	451.5	562.2	675.0
Public housing [17]	-----	-----	-----	-----	14.6	19.0	23.7	28.4

[1] Data represent expenditures from public funds (general and special) and trust accounts, and other expenditures under public law; exclude transfers to such accounts and loans; include capital outlay for hospitals, public elementary and secondary schools, and publicly controlled higher education; include administrative expenditures. Fiscal years ended June 30 for Federal Government, most States, and some localities; for other States and localities fiscal years cover various 12-month periods ended in the specified year. Data for workmen's compensation relate to United States excluding Alaska and Hawaii; for other programs, data include all 50 States and some payments and expenditures outside United States. (State temporary disability insurance programs operate in 4 States only.)

[2] Excludes refunds of employee contributions to those leaving service. Federal expenditures include retirement pay of military personnel.

[3] Includes unemployment compensation for veterans under the Veterans' Readjustment Assistance Act of 1952, for Federal employees, and for ex-servicemen.

[4] Included in total shown directly above; excludes administrative expenditures, not available separately but included for entire program in preceding line.

[5] State expenditures represent benefits paid under State law by private insurance carriers, State funds, and self-insurers and estimated costs of State administration. Data for administrative expenses before 1949–50 not available.

[6] Old-age assistance, aid to dependent children, aid to the blind, aid to the permanently and totally disabled, and, from State and local funds, general assistance. For 1939–40, total includes $1 million in administrative costs, and Federal Emergency Relief Administration funds for which distribution by source of funds is not available.

[7] Work program earnings, other emergency aid programs, and value of surplus food distributed to needy persons.

[8] Excludes expenditures for domiciliary care (in institutions other than mental or tuberculosis) included under institutional care; excludes health and medical services provided in connection with veterans' programs, public education, public assistance, workmen's compensation, State temporary disability insurance, and vocational rehabilitation (included in total expenditures shown for those programs); also excludes direct expenditures for international health activities and certain subordinate medical program expenditures, such as those of the Federal Aviation Agency, Bureau of Narcotics, Bureau of Mines, National Park Service, and U.S. Civil Service Commission.

[9] Expenditures for the crippled children's services and maternal and child health services programs.

[10] Medical research expenditures of the U.S. Public Health Service, Food and Drug Administration, Atomic Energy Commission, and Department of Defense.

[11] Excludes expenditures for water supply, sanitation services, and sewage disposal but includes regulatory and administrative expenditures in connection with these activities; also includes expenditures for medical equipment and supplies in civil defense.

[12] Includes expenditures for homes for adults (other than those for veterans) and for dependent or neglected children, and value of surplus food for nonprofit institutions.

[13] Federal expenditures represent cash apportionment, value of commodities purchased and distributed under the National School Lunch Act, value of surplus commodities distributed under other agricultural programs, and, beginning 1954–55, special school milk program. Nongovernmental funds are also available for this program from private organizations and from payments by parents (in 1958–59 parents' payments totaled $505 million).

[14] State and local expenditures exclude expenditures of courts and public institutions serving children, public day-care centers, and appropriations made directly by legislatures to voluntary agencies or institutions.

[15] Federal expenditures exclude bonus payments, appropriations to Government life insurance trust fund, and accounts of several small revolving funds. Burial awards included with pensions and compensation. Vocational rehabilitation, specially adapted homes and automobiles for disabled veterans, counseling, beneficiaries' travel, loan guarantees, and domiciliary care classified as "welfare and other." State and local data represent State expenditures for bonus and other payments and services for veterans; local data not available.

[16] Not available.

[17] Federal and State subsidies (and administrative costs) for low-cost housing.

TRENDS

The Social Security Act of 1935 laid the basis for the major expansions that have occurred in social welfare expenditures since that time. In addition to establishing a national system of old-age insurance and a Federal-State program of unemployment insurance, the original act provided for the first time grants to the States for public assistance, child welfare services, services for crippled children, and general public health activities. It also placed on a permanent basis grants for maternal and child health services (previously in effect from 1921 through 1929) and vocational rehabilitation services (partially supported by a temporary grant program since 1920).

Public education and special veterans' benefits date back to the early years of the Nation. Expenditures for veterans' benefits have reflected both the extent of the Nation's involvement in war and in recent years the extensive educational and other special benefits provided for veterans of World War II and subsequent hostilities. The share of the growing national output used for education has moved continuously upward, with two major step-ups in the level of support. The first resulted from the spread of secondary education to virtually the entire population, the second from the increasing proportion of young people going on with college, university, and postgraduate education.

Because the estimates for earlier years are less reliable and available only for major categories, the figures in table 1 start with 1934–35. All the analytic tables, however, show figures for 1928–29, thus providing a measure of change from the last year before the great depression of the thirties. Total social welfare expenditures in 1928–29 were $4,285 million; more than half—$2,450 million—represented expenditures for education, almost entirely from State and local revenues. The next largest amount, $550 million, was spent by the Federal Government for pensions and medical care for veterans. Other health programs involved expenditures of $445 million, primarily from State and local funds except for the cost of medical care for the Armed Forces. Workmen's compensation and public employee retirement programs accounted for $340 million, and local expenditures for relief and welfare services, together with the limited State expenditures, amounted to $500 million.

The expenditure data include both current and capital outlays. Available estimates are shown separately in table 1. In 1958–59, capital outlays from public funds for schools and colleges and for medical facilities amounted to $4.6 billion or slightly less than 10 percent of all social welfare expenditures. Primarily because of the increase in school construction, capital outlays now represent a considerably larger part of total expenditures than they did in 1950.

TABLE 2.—*Social welfare expenditures as percent of gross national product, selected fiscal years, 1889–90 through 1958–59*

[Revised estimates]

Fiscal years	Gross national product (in billions)	Social welfare expenditures as percent of gross national product						
		Total [1]	Social insurance	Public aid	Health and medical services	Other welfare	Veterans' programs	Education
1889–90	$13.0	2.4	([2])	[3] 0.3	0.1	([3])	0.9	1.1
1912–13	39.9	2.5	([2])	[3] .3	.4	([3])	.5	1.3
1928–29	101.6	4.2	0.3	[3] .5	.5	([3])	.5	2.4
1934–35	68.7	9.8	.6	4.4	.8	0.2	.7	3.2
1939–40	95.9	9.3	1.3	3.8	.7	.1	.6	2.9
1944–45	212.5	4.2	.6	.5	.9	.1	.4	1.6
1949–50	264.0	8.7	1.8	.9	.9	.2	2.5	2.5
1954–55	377.5	8.5	2.6	.8	.8	.2	1.2	3.0
1956–57	432.8	9.0	2.9	.8	.8	.2	1.1	3.2
1957–58	438.9	10.2	3.6	.8	.8	.2	1.1	3.5
1958–59	464.0	10.7	3.9	.9	.9	.2	1.1	3.6

[1] Includes public housing, not shown in distribution.
[2] Less than 0.05 percent.
[3] "Other welfare" included with public aid.

REAL EXPENDITURES PER CAPITA

Part of the increase in social welfare expenditures represents simply an expansion of services to a larger population, part reflects price rises, and part represents an increase in the level and scope of services. Since 1929 the total population of the United States has increased 44 percent, and the number of children under age 18 by 46 percent. The population of college age has also gone up. The general price level as measured by the consumer price index of the Bureau of Labor Statistics is about 1.7 times what it was in 1929.

Social welfare expenditures per capita, adjusted to 1958–59 price levels, have increased almost fivefold since 1928–29—from $59 to $277 (table 3). This is a measure of the real increase in the level of publicly financed social welfare services. The 1958–59 expenditures increased between twofold and threefold from 1934–35, when real (price-adjusted) per capita expenditures for public aid alone were as large as all social welfare expendi-

tures per capita in 1928–29. From 1949–50 to 1958–59 per capita expenditures, in 1958–59 prices, went up 45 percent.

SOCIAL WELFARE AND ALL GOVERNMENT EXPENDITURES

In spite of the substantial increase in social welfare expenditures in recent years, they represented a smaller proportion of total government spending for all purposes in 1958–59 than in 1928–29 and a much smaller proportion of expenditures from general revenues (table 4). State and local governments, however, are spending a considerably larger proportion of their total revenues for health, education, and welfare in 1958–59 than they did 30 years earlier, whether social insurance expenditures are included or excluded, primarily because of the increased share going to education.

Although Federal expenditures for social welfare purposes have increased tremendously, they have been matched or outpaced (depending on whether one includes social insurance or looks at general revenues only) by mounting expenditures for war, defense, and international activities. In this series, expenditures for veterans are treated as social welfare expenditures. Because veterans' programs accounted for so large a part of all Federal welfare expenditures in 1928–29, if they were classified as defense-related expenditures the remaining social welfare expenditures would represent not a declining but an increasing proportion of the Federal general revenue budget (from 3 percent to 19 percent). All social welfare expenditures, excluding veterans' programs, represented 35 percent of total government expenditures in 1928–29 and 32 percent in 1958–59; they made up 33 percent of total expenditures from general revenues in 1928–29 and 24 percent in 1958–59.

PRIVATE AND PUBLIC EXPENDITURES

Social welfare programs have developed in the United States, as they have in other nations, in response to national needs that could only be met on a broad basis through government action. In none of the specific areas of concern, however, does government carry sole responsibility. Individual action and organized private action intermingle with and underpin or supplement community action in every field. The relative roles of public and private programs and expenditures vary considerably, however, in the different areas.

In addition to direct expenditures from public funds, there are indirect subsidies for certain types of welfare benefits or expenditures through income-tax allowances and deductions. The largest of such tax subsidies in the United States are those applying to medical expenditures and to employer contributions to private employee-benefit plans. Deductions for dependents may also be regarded as serving a general welfare

TABLE 3.—*Social welfare expenditures per capita under public programs, actual and 1958–59 prices, selected fiscal years 1928–29 through 1958–59* [1]

Fiscal year	Per capita social welfare expenditures							Social welfare expenditures in 1958–59 prices	
	Total [2]	Social insurance	Public aid	Health and medical services	Other welfare services	Veterans' programs	Education	Total (in millions)	Total per capita
1928–29	$34.79	$2.76	[2] $4.06	$3.61	(3)	$4.46	$19.90	$7,260	$58.97
1934–35	52.17	2.97	23.22	4.16	$1.08	3.45	17.29	14.391	111.47
1939–40	66.80	9.08	26.86	5.20	.85	3.95	20.81	18.565	138.59
1944–45	62.48	9.62	7.27	13.66	1.38	6.41	24.07	14.403	101.59
1949–50	150.64	31.15	16.34	15.34	2.63	42.51	42.59	28,174	184.38
1954–55	192.06	59.04	18.00	17.46	3.48	25.85	67.69	34.644	207.63
1956–57	223.60	71.90	19.15	19.69	4.53	26.78	80.86	40.457	234.14
1957–58	254.94	90.56	20.57	21.20	5.16	28.09	88.59	45.400	258.30
1958–59	276.57	101.90	22.37	24.52	5.71	28.12	93.07	49.427	276.57
Percentage change for 1958–59 expenditures (in 1958–59 prices) from—									
1928–29	+369	+2,077	(3)	+301	(3)	+272	+176	+581	+369
1934–35	+148	+1,505	−55	+176	+147	+282	+152	+243	+148
1949–50	+50	+167	+12	+31	+77	−46	+79	+75	+50

[1] Old-age, survivors, and disability insurance and veterans' payments in foreign countries omitted; for actual expenditures including such payments, see table 1. Per capita figures based on mid-fiscal year data for total U.S. population, including Armed Forces overseas, and civilian population of U.S. Territories and possessions.

[2] Includes public housing, not shown in distribution.

[3] "Other welfare" included with public aid; percentage increase, 1928–29 to 1958–59, for public aid and other welfare per capita in 1958–59 prices was 308 percent.

purpose. Such indirect welfare benefits are not included in this series. Along with the treatment of expense allowances and other expenditures, they would have to be taken into account in any comprehensive analysis of the impact of government on transfers of income among income classes or age groups in the population. The Division of Program Research hopes at a later time to do some work along these lines.

It should perhaps be pointed out that tax subsidies of this nature would not all be additive to the total of public and private expenditures for health or welfare. They do not change (directly or immediately) the total resources devoted to health, for example, or the total benefits paid out by employee-benefit plans. They do alter the relative tax burdens and benefits of different income classes. On the other hand, the tax subsidy enjoyed by aged persons as a result of the double personal exemption is not reflected in the social welfare expenditure figures and could be added, if appropriate estimates were developed.

Education

The decision taken by the Nation early in the last century that every child should have an opportunity to obtain an education, with the cost shared by the entire community, laid the basis for the present preponderance of public support of education. In 1958–59, a little more than four-fifths of the total amount spent for education in the United States came from public funds. In 1950, when expenditures under the veterans' educational program were at a high level, 85 percent of total expenditures came from public funds. These approximate relationships hold both for current expenditures only and for current and capital outlays combined. Because of conceptual differences in the estimates of public construction prepared by the Office of Education and those of privately financed construction prepared by the National Income Division of the Department of Commerce, only current expenditures are shown below.

[In millions]

Current expenditures for education	Amount			Percentage distribution		
	1949–50	1954–55	1958–59	1949–50	1954–55	1958–59
Total amount	$10,437	$11,536	$16,155	100	100	100
Public expenditures (including those for veterans)	9,000	9,320	13,246	86	81	82
Private expenditures	1,437	2,216	2,909	14	19	18

These figures relate to actual expenditures and do not include any estimate of the value of unpaid services (primarily in parochial schools). From 1950 to 1959 the proportion of all children enrolled in elementary and secondary schools who were attending private schools increased from 11 percent to 15 percent. During the same period, however, the proportion of college or professional enrollments in private institutions dropped from 41.4 percent to 36.5 percent.

Health

More is spent for health purposes in the United States than for education. Personal medical care,

TABLE 4.—*Social welfare expenditures [1] in relation to government expenditures for all purposes, selected fiscal years 1928–29 through 1958–59*

Item	1928–29	1934–35	1939–40	1944–45	1949–50	1954–55	1956–57	1957–58	1958–59
All social welfare expenditures:									
Total, as percent of total government expenditures	41.0	51.2	48.6	8.2	36.3	31.7	33.1	36.5	35.9
Federal, as percent of total Federal Government expenditures	24.0	47.9	36.1	3.6	24.3	20.2	22.0	24.5	24.6
State and local, as percent of total State and local government expenditures [2]	47.0	54.3	61.3	62.8	60.3	57.8	57.7	60.5	60.2
Social welfare expenditures from general revenue:									
Total, as percent of total government expenditures from general revenue	41.0	50.6	46.2	7.7	34.0	25.8	27.0	28.9	28.4
Federal, as percent of total Federal Government expenditures from general revenue:									
All programs	24.0	47.7	35.1	3.3	22.2	13.2	13.8	14.8	14.6
Veterans' programs	20.0	7.2	6.0	1.0	15.1	6.8	6.6	6.9	6.2
State and local, as percent of total State and local expenditures from general revenue: [3]									
All programs	47.0	53.4	58.1	62.4	54.5	54.0	54.9	56.4	57.1
Education	32.0	33.5	32.6	42.6	33.6	38.9	40.5	41.4	41.2

[1] Expenditures from general revenues and from social insurance trust funds; that part of workmen's compensation and temporary disability insurance payments made through private carriers was omitted in computing percentages.

[2] Includes expenditures from State accounts in the unemployment trust fund.

[3] Excludes Federal grants-in-aid.

public health activities, medical research, and the construction of medical facilities involved aggregate expenditures of $25 billion or 5.4 percent of the gross national product in 1958–59. One-fourth of this amount came from public funds, and three-fourths was privately financed (table 5).

To get an idea of the total amounts of public funds spent for medical care and health services, it is necessary to add to the amounts shown in table 1 under "health and medical programs" the expenditures for medical services made under social insurance, public assistance, and other welfare programs (shown separately in table 1 under the specific program). For the purposes of this analysis, expenditures for medical education and training are classified as education expenditures and not as health expenditures.

In 1928–29, almost 85 percent of all expenditures for personal health care took the form of direct payments to doctors and other providers of service by the persons receiving care. By 1959, direct payments for personal health care accounted for a little more than 50 percent, and insurance benefits represented 18 percent. Public funds provided 22 percent of the total.

Personal health care expenditures, as defined here, exclude expenditures for medical facilities construction, medical research, fund-raising costs of private philanthropy, and community health programs. They include the value of health insurance benefits but exclude the costs of obtaining such benefits. In other words, the item "expenses for prepayment," which represents essentially the difference between insurance premiums and insurance benefits or the costs of administration, reserve accumulation, and profits of the insurance carriers, is omitted from the personal health care aggregate. The corresponding costs of administration of medical benefits under workmen's compensation, temporary disability insurance, vocational rehabilitation, and vendor payments under public assistance are entirely omitted from the figures in table 5, since separate estimates are not

TABLE 5.—*Private and public expenditures for health and medical care, selected fiscal years 1928–29 through 1958–59*

[In millions]

Type of expenditures	1928-29	1934-35	1939-40	1944-45	1949-50	1954-55	1956-57	1957-58	1958-59
Total	$3,650.0	$3,257.7	$3,914.9	$7,533.2	$12,365.3	$17,752.4	$21,026.8	$22,679.6	$25,195.9
Private expenditures	3,112.0	2,580.0	3,023.0	5,335.0	9,042.0	13,455.0	16,082.0	17,294.0	18,965.0
Health and medical services	3,010.0	2,570.0	2,992.0	5,305.0	8,827.0	13,130.0	15,693.0	16,785.0	18,468.0
Direct payments	[1] 2,900.0	[1] 2,500.0	[1] 2,900.0	[1] 4,875.0	7,125.0	9,388.0	10,937.0	11,555.0	12,720.0
Insurance benefits					878.0	2,357.0	3,245.0	3,675.0	4,138.0
Expenses for prepayment					274.0	595.0	639.0	645.0	680.0
Industrial in-plant services	30.0	30.0	40.0	90.0	150.0	210.0	232.0	245.0	255.0
Philanthropy	80.0	40.0	52.0	340.0	400.0	580.0	640.0	665.0	675.0
Medical-facilities construction	102.0	10.0	31.0	30.0	215.0	325.0	389.0	509.0	497.0
Public expenditures	513.0	677.7	891.9	2,198.2	3,323.3	4,297.4	4,944.8	5,385.6	6,230.9
Health and medical services	414.0	639.8	836.8	2,130.5	2,738.3	3,911.1	4,466.8	4,878.4	5,624.8
General medical and hospital care	215.0	339.0	415.0	485.7	1,174.0	1,449.5	1,707.0	1,881.5	2,237.2
Defense Department facilities	30.0	39.0	45.0	1,100.0	332.0	602.6	529.3	584.7	665.4
Medicare							24.7	86.6	79.7
Veterans' hospital and medical care	30.0	56.0	72.1	96.3	585.9	722.0	732.9	794.1	836.0
Public assistance (vendor medical payments)						211.9	287.6	320.2	410.0
Workmen's compensation (medical benefits)	25.0	65.0	90.0	122.0	193.0	315.0	355.0	370.0	395.0
Temporary disability insurance (medical benefits)					2.2	20.0	26.3	31.9	38.3
Medical vocational rehabilitation		.2	.4	1.4	7.4	9.2	12.7	14.9	16.6
Maternal and child health services	5.0	6.7	13.8	62.0	29.8	92.9	113.2	122.1	133.4
School health (educational agencies)	9.0	9.9	17.9	23.3	30.6	66.3	81.0	85.6	94.2
Medical research [2]			3.1	17.0	55.0	105.9	183.0	237.5	300.3
Other public health activities	100.0	124.0	179.5	222.8	328.4	315.8	414.1	349.3	418.7
Medical-facilities construction	99.0	37.9	55.1	67.7	585.0	386.3	478.0	507.2	606.1
Veterans Administration	4.0	2.9	14.1	16.2	156.2	33.0	36.8	33.3	45.7
Defense Department	(3)	(3)	(3)	(3)	(3)	8.9	83.4	66.2	34.3
Other	95.0	35.0	41.0	51.5	428.8	344.4	357.8	407.7	526.1
Total expenditures as percent of gross national product	3.6	4.7	4.1	3.5	4.7	4.7	4.9	5.2	5.4
Public expenditures as percent of total expenditures	14.2	20.8	22.8	29.2	26.9	24.2	23.5	23.7	24.7
Percent of personal health care expenditures [4] from:									
Private expenditures	90.5	83.2	82.0	73.4	78.2	78.0	79.4	78.8	78.2
Direct payments	84.7	77.9	75.7	65.6	61.6	55.1	54.3	53.3	52.8
Insurance benefits					8.1	14.8	17.3	18.1	18.4
Public expenditures	9.5	16.8	18.0	26.6	21.8	22.0	20.6	21.2	21.8

[1] Includes any insurance benefits and expenses for prepayment (insurance premiums less insurance benefits).
[2] Includes medical research carried on by the Veterans Administration.
[3] Included with "other" medical-facilities construction below.
[4] Includes all items shown under "health and medical services," except (1) "expenses for prepayment" and one-fourth of "philanthropy" under private expenditures and (2) "medical research" and "other public health activities" under public expenditures.

available on this part of the administrative costs. (Total administrative costs of these programs are included in table 1.)

Since 1950 the share of personal health care expenditures paid from public funds has remained about the same. Public funds as a percentage of total health expenditures have declined slightly. From 1949–50 to 1958–59, private funds going into the construction of medical facilities have increased more rapidly than public funds for construction, thus offsetting the increase in public expenditures for medical research. Increases in expenditures for general public health programs have been less than one-fourth the dollar increase in "expenses for prepayment."

Total public and private expenditures for health and medical care rose $2.5 billion or 11 percent from 1957–58 to 1958–59. Private expenditures for medical facilities construction fell off slightly, but public funds used for construction increased almost $100 million or 20 percent. Total public expenditures showed a 16-percent increase, with expenditures for general medical and hospital care, vendor payments under public assistance, and medical research—as well as construction expenditures—contributing significantly to the total increase. In 1958–59 as in most recent years, about 60 percent of the public expenditures were from State and local funds or programs and 40 percent from Federal funds.

Income-Maintenance and Other Social Welfare Programs

With the adoption of the Social Security Act of 1935 the United States reached a decision that the Nation as a whole must accept responsibility for the basic underpinning of income for the retired aged and for other dependent groups.

Aggregate expenditures for income security cannot be measured in the same way one measures total expenditures for education or for health. Retired persons, disabled earners, and widows and orphans have sources of support—private savings and investments, help from relatives and friends—that are not identifiable in any statistics of total income flows. What can be measured is the total spent under organized income-maintenance and welfare programs.

Private employee-benefit plans have developed rapidly in recent years. In 1958–59 they paid out in cash benefits—excluding all health insurance benefits—more than $3 billion. Nearly $1.4 billion represented pensions for retired workers; $0.7 billion, temporary sickness benefits or paid sick leave; and $80 million, supplementary unemployment benefits. Also financed through employee-benefit plans was about three-fourths ($3.6 billion) of the health insurance costs—benefits plus expenses of prepayment—accounted for above as health expenditures.

Private philanthropic contributions used for welfare services such as institutional care, family counseling, recreation and day-care services, and emergency relief amounted to $1 billion in 1958–59. Relatively little of the money spent by private welfare agencies now takes the form of cash payments to recipients; most is used to provide services.

The amounts spent from public and from private funds for organized income-maintenance and welfare service programs in recent years are shown in the following tabulation.

[Amounts in millions]

Source of funds	1949–50	1954–55	1958–59
Total amount (excluding expenditures for health)	$11,915	$18,544	$30,289
Public expenditures	10,552	15,813	26,039
Social insurance	4,568	9,544	17,835
Veterans' programs	3,094	2,908	3,596
Public assistance and other welfare programs	2,889	3,361	4,608
Private expenditures	1,363	2,731	4,250
Employee-benefit plans	678	1,881	3,125
Philanthropy	685	850	1,025
Percent of total:			
Public expenditures	88.6	85.3	86.0
Private expenditures	11.4	14.7	14.0

If one considers only "guaranteed" cash benefits—social insurance, veterans' service-connected pensions, and cash payments under private employee-benefit plans—the public programs accounted for 90 percent of total expenditures in 1949–50 and 86 percent in 1958–59.

Current Operating Statistics

TABLE 1.—*Selected social insurance and related programs, by specified period, 1940–60*
[In thousands; data corrected to Sept. 26, 1960]

Year and month	Total	Retirement, disability, and survivor insurance											Unemployment insurance		
		Monthly retirement and disability benefits [1]				Survivor benefits						Temporary disability benefits, Railroad Unemployment Insurance Act [9]	State laws [10]	Veterans' legislation [11]	Railroad Unemployment Insurance Act [9]
						Monthly				Lump-sum [7]					
		Social Security Act	Railroad Retirement Act	Civil Service Commission [2]	Veterans Administration [3]	Social Security Act [4]	Railroad Retirement Act [5]	Civil Service Commission [2]	Veterans Administration [6]	Social Security Act	Other [8]				
	Number of beneficiaries														
1959															
July	----------	10,083.1	504.4	338.2	2,943.3	3,205.1	242.0	137.6	(12)	58.5	14.5	24.8	1,192.4	10.5	40.9
Aug	----------	10,165.9	508.6	340.6	2,950.1	3,229.9	242.8	138.7	(12)	68.5	13.6	31.1	1,170.6	10.0	74.1
Sept	----------	10,236.2	514.0	342.9	2,954.5	3,249.9	243.5	139.7	1,225.5	63.8	14.1	34.8	1,162.9	8.2	85.5
Oct	----------	10,303.1	518.2	345.3	2,962.9	3,273.0	243.9	140.7	(12)	65.5	15.6	33.0	1,111.9	4.1	96.0
Nov	----------	10,353.5	521.9	347.6	2,968.0	3,290.8	245.3	141.6	(12)	57.2	13.3	32.2	1,354.9	3.9	90.3
Dec	----------	10,392.2	522.8	349.9	2,972.1	3,311.7	245.9	142.5	1,221.7	62.2	15.3	36.1	1,626.2	4.2	83.4
1960															
Jan	----------	10,450.1	526.4	352.4	2,970.1	3,330.1	246.9	143.3	(12)	59.7	14.4	34.1	1,906.4	4.1	73.6
Feb	----------	10,503.7	529.4	355.1	2,971.6	3,346.9	247.3	144.7	(12)	59.4	14.4	28.6	1,975.9	2.1	74.6
Mar	----------	10,593.1	532.6	357.0	2,973.1	3,368.7	248.5	145.9	1,220.0	77.8	19.5	29.4	2,078.1	.1	73.0
Apr	----------	10,664.4	534.5	359.5	2,980.5	3,393.3	249.4	147.3	(12)	72.8	17.2	25.2	1,881.0	----------	48.6
May	----------	10,733.1	537.1	361.8	2,993.2	3,415.5	249.9	148.6	(12)	71.9	17.6	21.6	1,566.6	----------	35.6
June	----------	10,818.3	540.6	363.7	3,009.2	3,443.5	251.3	149.5	(12)	70.5	16.3	22.4	1,519.9	----------	35.9
July	----------	10,909.3	543.1	365.6	3,022.1	3,466.7	251.8	150.5	(12)	63.5	13.4	21.0	1,460.5	----------	43.6
	Amount of benefits [13]														
1940	$1,183,462	$17,150	$114,166	$62,019	$317,851	$6,371	$1,448	----------	$105,696	$11,833	$12,267	----------	$518,700	----------	$15,961
1941	1,079,648	51,169	119,912	64,933	320,561	23,644	1,559	----------	111,799	13,270	13,943	----------	344,321	----------	14,537
1942	1,124,351	76,147	122,806	68,115	325,265	39,523	1,603	----------	111,193	15,005	14,342	----------	344,084	----------	6,268
1943	911,696	92,943	125,795	72,961	331,350	55,152	1,704	----------	116,133	17,843	17,255	----------	79,643	----------	917
1944	1,104,638	113,487	129,707	77,193	456,279	73,451	1,765	----------	144,302	22,034	19,238	----------	62,385	$4,215	582
1945	2,047,025	148,107	137,140	83,874	697,830	99,651	1,772	----------	254,238	26,127	23,431	----------	445,866	126,630	2,359
1946	5,135,413	222,320	149,188	94,585	1,268,984	127,933	1,817	----------	333,640	27,851	30,610	----------	1,094,850	1,743,718	39,917
1947	4,658,540	287,554	177,053	106,876	1,676,029	149,179	19,283	----------	382,515	29,460	33,115	$11,368	776,165	970,542	39,401
1948	4,454,705	352,022	208,642	132,852	1,711,182	171,837	36,011	$918	413,912	32,315	32,140	30,843	793,265	510,167	28,599
1949	5,613,168	437,420	240,893	158,973	1,692,215	196,586	39,257	4,317	477,406	33,158	31,771	30,103	1,737,279	430,194	103,596
1950	5,196,761	651,409	254,240	175,787	1,732,208	276,945	43,884	8,409	491,579	32,740	33,578	28,099	1,373,426	34,653	59,804
1951	5,503,855	1,321,061	268,733	196,529	1,647,938	506,803	49,527	14,014	519,398	57,337	33,356	26,297	840,411	2,234	20,217
1952	6,285,237	1,539,327	361,200	225,120	1,722,225	591,504	74,085	19,986	572,983	63,298	37,251	34,689	998,237	3,539	41,793
1953	7,353,396	2,175,311	374,112	269,300	1,840,437	743,536	83,319	27,325	613,475	87,451	43,377	45,150	962,221	41,698	46,684
1954	9,455,374	2,697,982	428,900	298,126	1,921,380	879,952	93,201	32,530	628,801	92,229	41,480	49,173	2,026,866	107,666	157,088
1955	10,275,552	3,747,742	438,970	335,876	2,057,515	1,107,541	121,847	39,362	688,426	112,871	42,233	51,945	1,350,268	87,672	93,284
1956	11,193,067	4,361,231	490,445	400,647	2,101,798	1,244,073	133,171	49,675	699,204	109,304	41,895	49,538	1,380,726	60,917	70,443
1957	13,560,263	5,744,490	538,501	474,841	2,180,509	1,520,749	143,826	58,265	748,660	138,785	47,278	51,292	1,766,445	53,087	93,535
1958	17,511,784	6,722,871	570,741	561,988	2,382,215	1,720,146	153,947	74,185	794,253	132,908	56,043	51,920	3,979,663	82,035	228,824
1959	18,157,957	8,063,765	657,209	641,914	2,474,428	2,063,303	180,883	93,713	818,984	171,295	66,487	66,160	2,617,913	17,391	224,536
1959															
July	1,419,346	646,819	55,232	53,377	207,399	166,893	15,344	7,827	68,447	12,225	5,039	5,760	154,918	1,148	18,918
Aug	1,425,819	653,399	55,529	54,071	206,062	168,648	14,435	7,945	68,229	14,422	5,073	7,418	142,284	990	27,314
Sept	1,442,015	658,585	56,001	54,593	207,868	169,961	15,536	8,004	68,093	13,385	5,295	7,079	150,692	845	26,078
Oct	1,445,507	663,819	56,382	54,888	209,245	171,498	15,579	8,083	68,520	13,781	5,656	6,596	145,249	401	25,810
Nov	1,475,375	667,714	56,750	55,406	207,780	172,760	15,700	8,092	68,258	12,054	5,246	6,108	177,456	358	21,693
Dec	1,536,502	670,930	56,847	56,165	209,539	174,214	15,756	8,251	68,535	13,080	5,803	6,614	231,145	417	19,206
1960															
Jan	1,553,357	676,353	57,285	56,295	207,037	175,538	15,843	8,312	68,629	12,558	5,406	5,709	247,448	361	16,582
Feb	1,569,036	681,263	57,966	57,039	206,229	176,804	15,896	8,403	68,589	12,573	5,158	4,512	260,671	178	13,754
Mar	1,628,260	688,615	58,424	57,226	208,979	178,366	15,995	8,552	68,740	16,412	7,129	5,217	301,217	14	13,374
Apr	1,579,025	694,233	58,666	57,801	209,335	180,055	16,096	8,628	69,061	15,256	6,297	3,969	249,214	----------	10,414
May	1,551,427	699,582	59,000	57,913	210,665	181,578	16,171	8,713	69,212	15,150	6,847	3,595	215,092	----------	7,909
June	1,556,921	706,367	59,450	58,202	213,280	183,495	16,288	8,786	69,238	14,876	6,415	3,744	209,278	----------	7,502
July	1,553,941	713,908	59,581	58,110	216,059	185,215	16,350	8,783	73,451	13,375	4,829	3,908	192,791	----------	7,311

[1] Under Social Security Act, (1) retirement benefits—old-age, wife's, and husband's benefits and benefits (partly estimated) to children of old-age beneficiaries (including disabled children aged 18 or over, beginning Jan. 1957) and (2) disability benefits— beginning July 1957 to disabled workers aged 50–64 and, beginning Oct. 1958, to their dependent wives, husbands, and children (including disabled children aged 18 or over). Beginning Dec. 1951, includes spouse's annuities under Railroad Retirement Act.

[2] Data for civil-service retirement and disability fund; excludes noncontributory payments made under Panama Canal Construction Annuity Act. Through June 1948, retirement and disability benefits include payments to survivors under joint and survivor elections.

[3] Pensions and compensation, and subsistence payments to disabled veterans undergoing training.

[4] Mother's, widow's, widower's, parent's, and child's benefits; beginning Jan. 1957, includes payments (partly estimated) to deceased workers' disabled children aged 18 or over.

[5] Annuities to widows under joint and survivor elections and, beginning Feb. 1947, survivor benefits—widow's, widower's (first paid Dec. 1951), widowed mother's, parent's, and child's.

[6] Payments to veterans' widows, parents, and children; number, end of quarter. Number for March estimated; no data tabulated due to conversion to automatic data processing.

[7] Number of decedents on whose account lump-sum payments were made.

[8] Under railroad retirement, Federal civil-service, and veterans' programs.

[9] Represents average number of beneficiaries in a 14-day registration period; temporary disability benefits first payable July 1947. Beginning July 1960, data not adjusted for underpayments and recoveries.

[10] Represents average weekly number of beneficiaries; includes payments to unemployed Federal workers from Jan. 1955 and to unemployed ex-servicemen from Nov. 1958, made by the States as agents of the Federal Government. Includes temporary unemployment compensation programs, June 1958–July 1959.

[11] From Sept. 1944 to July 1949, under Servicemen's Readjustment Act, readjustment allowances to unemployed and self-employed veterans of World War II. From Oct. 1952 to Jan. 1960, under Veterans' Readjustment Assistance Act, unemployment compensation benefits to veterans. Some payments made in programs after expiration dates. Number represents average weekly claims paid.

[12] Not available.

[13] Payments: under Social Security Act annual data represent Treasury disbursements and, under Railroad Retirement Act, amounts certified (for both programs monthly benefit data, by month, are for benefits in current-payment status); under Railroad Unemployment Insurance Act, amounts certified; for Veterans Administration programs, except readjustment allowance program, disbursements; under State unemployment insurance laws, Servicemen's Readjustment Act, and Veterans' Readjustment Assistance Act, checks issued; for civil-service programs, disbursements through June 1949 and authorizations from July 1949. Civil-service and railroad unemployment insurance data adjusted monthly; other data adjusted annually.

Source: Based on reports of administrative agencies.

TABLE 2.—*Contributions and taxes collected under selected social insurance and related programs, by specified period, 1957–60*

[In thousands]

Period	Retirement, disability, and survivor insurance				Unemployment insurance		
	Federal insurance contributions [1]		Federal civil-service contributions [2]	Railroad retirement insurance contributions	State unemployment insurance contributions [3]	Federal unemployment taxes [4]	Railroad unemployment insurance contributions [5]
	Retirement and survivor	Disability					
Fiscal year:							
1957-58 [6]	$7,266,985	$926,403	$1,259,041	$575,282	$1,500,397	$335,880	$99,891
1958-59 [6]	7,565,086	894,995	1,515,852	525,369	1,675,286	324,020	102,014
1959-60 [7]	9,842,729	987,034	1,509,289	608,927	2,164,757	341,107	152,998
1959							
July	298,757	31,777	109,093	20,148	245,078	701	1,017
August	1,251,509	137,055	125,141	85,432	370,076	743	9,433
September	595,180	58,729	129,659	51,849	14,503	575	22,947
October	245,584	23,793	129,137	16,448	135,262	2,337	757
November	904,629	101,374	112,143	82,366	257,110	664	10,510
December	431,406	46,977	150,130	51,111	21,095	567	29,426
1960							
January	209,479	22,399	105,657	16,153	79,915	26,461	543
February	1,243,390	124,233	129,785	84,457	195,206	283,183	3,947
March	1,006,980	93,034	149,400	49,942	13,238	20,774	35,223
April	774,642	81,968	122,188	17,028	273,789	2,339	884
May	1,865,591	176,057	118,129	81,561	531,420	1,641	7,205
June [7]	1,015,582	89,639	128,828	52,433	28,064	1,120	31,107
July [7]	345,944	29,952	162,091	17,121	221,125	674	711

[1] Represents contributions of employees, employers, and the self-employed in employments covered by old-age and survivors insurance and, beginning January 1957, by disability insurance; beginning January 1951, on an estimated basis, with suitable subsequent adjustments; beginning May 1951, includes deposits in the trust fund(s) by States under voluntary coverage agreements; beginning December 1952 (January 1959 for disability insurance), adjusted for employee-tax refunds; excludes transfers (which began July 1959) from the railroad retirement account to the disability insurance trust fund under the financial interchange provisions of the Railroad Retirement Act.

[2] Represents employee and employing agency (Government) contributions to the civil-service retirement and disability fund.

[3] Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, in 3 States, contributions from employees; excludes contributions collected for deposit in State temporary disability insurance funds. Data reported by State agencies.

[4] Represents taxes paid by employers under the Federal Unemployment Tax Act.

[5] Beginning 1947, also covers railroad temporary disability insurance.

[6] Except for State unemployment insurance, as shown in the *Final Statement of Receipts and Expenditures of the U. S. Government.*

[7] Preliminary.

Source: *Monthly Statement of Receipts and Expenditures of the U. S. Government* and other Treasury reports, unless otherwise noted.

TABLE 3.—*Total Federal cash income and outgo,*[1] *and amounts for programs under the Social Security Act, fiscal years 1956–57—1959–60*

[In millions]

Classification	1956-57	1957-58	1958-59	1959-60
Cash income or deposits [1]	$81,875	$82,094	$81,621	$94,862
Social security	8,749	10,030	10,506	13,364
Federal old-age and survivors insurance contributions	6,540	7,267	7,565	9,843
Federal disability insurance contributions [2]	337	926	916	1,013
Federal unemployment taxes	330	336	324	341
State deposits in unemployment trust fund [3]	1,542	1,501	1,791	2,167
Other	73,126	72,138	71,352	81,500
Cash outgo or withdrawals [1]	79,183	83,188	94,042	93,508
Social security	10,027	13,282	14,851	16,444
Grants to States [4]	1,839	2,127	2,307	2,424
Old-age and survivors insurance benefit payments [5]	6,515	7,895	9,170	10,853
Disability insurance benefit payments [6]	----------	168	339	528
State withdrawals from unemployment trust fund	1,514	2,926	2,797	2,366
Administrative expenses, Social Security Administration [7]	124	146	191	227
Administrative expenses, Bureau of Employment Security, Department of Labor [8]	1	1	1	1
Administrative expenses, Department of the Treasury [9]	34	39	46	45
Other	69,156	69,906	79,191	77,064

[1] Represents flow of cash, exclusive of borrowed cash, into and out of the general fund and trust accounts of the Treasury.

[2] Includes payment of $21 million in 1958–59 and $26 million in 1959–60 from railroad retirement account under financial interchange provision of Railroad Retirement Act, as amended.

[3] Deposits by States of contributions collected under State unemployment insurance laws, excluding loans and transfers from Federal unemployment account.

[4] Grants for employment security administration (employment service and unemployment insurance); for old-age assistance, aid to the blind, aid to dependent children, and aid to the permanently and totally disabled; and for maternal and child health, crippled children's, and child welfare services.

[5] Includes payment of $121 million in 1958–59 and $583 million in 1959–60 to railroad retirement account under financial interchange provisions of Railroad Retirement Act, as amended.

[6] First paid August 1957.

[7] Includes expenses of Bureau of Old-Age and Survivors Insurance for construction of a building.

[8] Includes expenses of Unemployment Insurance Service only.

[9] In connection with old-age, survivors, and disability insurance and unemployment insurance.

Source: Total Federal cash income and outgo from *Treasury Bulletin*; trust fund operations data from *Final Statement of Receipts and Expenditures of the U.S. Government* and other Treasury Department releases; grant and other data from agency reports.

TABLE 4.—*Status of the old-age and survivors insurance and disability insurance trust funds, by specified period, 1937–60*

[In thousands]

Period	Receipts: Net contribution income and transfers [1]	Receipts: Interest received [2]	Transfers under financial interchange with railroad retirement account [3]	Expenditures: Benefit payments	Expenditures: Administrative expenses [4]	Assets at end of period: Invested in U. S. Government securities [5]	Assets at end of period: Cash balances	Assets at end of period: Total assets
	Old-age and survivors insurance trust fund							
Cumulative, January 1937–July 1960 [6] [7]	$73,638,559	$6,077,775	−$704,400	$57,055,589	$1,689,921	$19,246,007	$1,020,417	$20,266,423
Fiscal year:								
1957–58 [8]	7,266,985	557,274	----------	7,874,932	165,604	21,764,189	1,048,411	22,812,600
1958–59 [8]	7,565,086	540,279	−121,300	9,049,146	206,094	20,474,430	1,066,994	21,541,424
1959–60 [7]	9,842,729	499,793	−583,100	10,269,691	202,342	19,748,848	1,079,966	20,828,814
1959								
July	298,757	−5,626	−274,600	821,069	18,039	19,793,830	927,018	20,720,848
August	1,251,509	15,299	----------	833,235	18,362	20,096,417	1,039,642	21,136,060
September	595,180	13,923	----------	838,850	25,569	19,924,675	956,068	20,880,743
October	245,584	18,189	----------	841,472	17,733	19,367,605	917,707	20,285,312
November	904,629	3,812	----------	841,260	18,168	19,163,905	1,170,420	20,334,325
December	431,406	210,232	----------	843,797	−8,600	19,151,165	989,602	20,140,766
1960								
January	209,479	1,679	----------	841,042	17,032	18,532,647	961,203	19,493,849
February	1,243,390	13,228	----------	855,837	17,249	18,556,745	1,320,637	19,877,382
March	1,006,980	13,496	----------	880,613	24,319	18,977,197	1,015,730	19,992,926
April	774,642	16,506	----------	885,907	17,110	18,911,431	969,627	19,881,058
May	1,865,591	4,558	----------	887,003	18,241	19,365,749	1,480,214	20,845,963
June [7]	1,015,582	194,496	−308,500	899,606	19,121	19,748,848	1,079,966	20,828,814
July [7]	345,944	[9] 2,073	----------	894,428	15,980	19,246,007	1,020,417	20,266,423
	Disability insurance trust fund							
Cumulative, January 1957–July 1960 [7]	$3,175,584	$98,246	$26,100	$1,082,726	$67,015	$2,090,461	$59,728	$2,150,190
Fiscal year:								
1957–58 [8]	926,403	15,843	----------	168,420	12,112	1,054,458	44,515	1,098,973
1958–59 [8]	894,995	33,293	----------	339,231	21,410	1,606,874	59,747	1,666,621
1959–60 [7]	987,034	47,641	26,100	528,304	31,922	2,100,862	66,308	2,167,170
1959								
July	31,777	674	21,400	42,299	280	1,629,234	48,659	1,677,893
August	137,055	855	----------	41,539	280	1,698,111	75,872	1,773,983
September	58,729	262	----------	40,607	280	1,741,661	50,427	1,792,088
October	23,793	616	----------	44,016	268	1,725,458	46,755	1,772,213
November	101,374	829	----------	44,323	268	1,745,558	84,266	1,829,824
December	46,977	19,377	----------	41,921	29,050	1,793,379	31,828	1,825,206
1960								
January	22,399	116	----------	43,973	250	1,746,032	57,467	1,803,499
February	124,233	880	----------	42,942	250	1,787,282	98,138	1,885,420
March	93,034	342	----------	47,386	260	1,871,496	59,664	1,931,160
April	81,968	245	----------	47,479	248	1,906,121	59,524	1,965,645
May	176,057	988	----------	46,248	248	1,989,492	106,702	2,096,194
June [7]	89,639	22,457	4,700	45,571	248	2,100,862	66,308	2,167,170
July [7]	29,952	105	----------	46,772	266	2,090,461	59,728	2,150,190

[1] January 1937–June 1940, equals amounts appropriated (estimated net proceeds of taxes after deduction of estimated administrative expenses); July 1940–December 1950, equals taxes collected; beginning January 1951, equals amounts appropriated (estimated tax collections with suitable subsequent adjustments). Beginning May 1951, includes deposits by States under voluntary coverage agreements. For 1947–51 includes amounts appropriated to meet costs of benefits payable to certain veterans' survivors. Beginning 1952 for the old-age and survivors insurance trust fund and January 1959 for the disability insurance trust fund, includes deductions for refund of estimated amount of employee-tax overpayment.

[2] In addition to interest and profit on investment, includes annual interfund transfers of interest as follows: (1) Under the financial interchange, to the old-age and survivors insurance trust fund from the railroad retirement account, 1954–57; to the railroad retirement account from the old-age and survivors insurance trust fund, 1958 to date; and, beginning 1959, to the disability insurance trust fund from the railroad retirement account. (2) On reimbursed administrative expenses, to the old-age and survivors insurance trust fund from the disability insurance trust fund, 1958 to date (see footnote 4).

[3] The purpose of the financial interchange provision of the Railroad Retirement Act, as amended, is to place the trust funds in the same position in which they would have been, had railroad employment always been covered under the old-age, survivors, and disability insurance system. Payments from the trust fund(s) to the railroad retirement account—beginning July 1958—are indicated by negative figures, payments to the trust fund(s) from the account—beginning June 1959—by positive figures. Footnote 2 indicates the treatment of interest transfers.

[4] Represents net expenditures for administration. Beginning November 1951, adjusted for reimbursements to trust fund of small amounts for sales of services. Beginning October 1953, includes expenses for central office building construction. Since the January 1957 inception of the disability insurance trust fund, most administrative expenses are paid initially from old-age and survivors insurance trust fund with subsequent reimbursement (plus interest, see footnote 2) from the disability insurance trust fund for the allocated cost of disability insurance operations. The Treasury Department, however, is regularly reimbursed from the appropriate trust fund for its expenses as incurred.

[5] Book value: Includes net unamortized premium and discount, accrued interest purchased, and repayments on account of accrued interest on bonds at the time of purchase.

[6] Includes transactions of predecessor fund, the old-age reserve account, January 1937–December 1939.

[7] Preliminary.

[8] Revised to correspond with *Final Statement of Receipts and Expenditures of the U. S. Government.*

[9] Includes $60,441, profit on investments sold.

Source: *Monthly Statement of Receipts and Expenditures of the U. S. Government* and unpublished Treasury reports.

TABLE 5.—*Old-age, survivors, and disability insurance: Monthly benefits in current-payment status at the end of selected months, December 1948–July 1960, by type of benefit, and monthly benefits awarded, July 1960* [1]

[Amounts in thousands; data corrected to Aug. 26, 1960]

Item	Total			Old-age	Disability [3]	Wife's or husband's			Child's [4]			Widow's or widower's	Mother's	Parent's
	Total	OASI [2]	DI [2]			Total	OASI [2]	DI [2]	Total	OASI [2]	DI [2]			
	Number													
In current-payment status at end of—														
December:														
1948	2,314,557	2,314,557	...	1,047,985	...	320,928	320,928	...	581,265	581,265	...	210,253	142,223	11,903
1950	3,477,243	3,477,243	...	1,770,984	...	508,350	508,350	...	699,703	699,703	...	314,189	169,438	14,579
1952	5,025,549	5,025,549	...	2,643,932	...	737,859	737,859	...	938,751	938,751	...	454,563	228,984	21,460
1954	6,886,480	6,886,480	...	3,775,134	...	1,015,892	1,015,892	...	1,160,770	1,160,770	...	638,091	271,536	25,057
1956	9,128,121	9,128,121	...	5,112,430	...	1,433,507	1,433,507	...	1,340,995	1,340,995	...	913,069	301,240	26,880
November 1958 [5]	12,430,234	12,162,177	268,057	6,920,677	237,719	2,031,091	2,018,860	12,231	1,624,135	1,606,028	18,107	1,232,583	353,964	30,065
1959														
July	13,288,220	12,903,579	384,641	7,345,206	288,631	2,155,701	2,118,439	37,262	1,760,617	1,701,869	58,748	1,334,316	370,743	33,006
August	13,395,770	12,995,845	399,925	7,399,152	297,611	2,169,313	2,129,492	39,821	1,774,396	1,711,903	62,493	1,347,802	374,119	33,377
September	13,486,122	13,068,457	417,665	7,437,836	308,598	2,182,383	2,140,429	41,954	1,791,434	1,724,321	67,113	1,358,931	373,227	33,713
October	13,576,095	13,143,808	432,287	7,476,908	317,888	2,194,307	2,150,548	43,759	1,808,125	1,737,485	70,640	1,370,848	374,041	33,978
November	13,644,293	13,195,554	448,739	7,503,120	327,640	2,202,848	2,156,655	46,193	1,820,039	1,745,133	74,906	1,381,495	374,848	34,303
December	13,703,918	13,243,564	460,354	7,525,628	334,443	2,208,017	2,160,103	47,914	1,831,548	1,753,551	77,997	1,393,587	376,145	34,550
1960														
January	13,780,137	13,311,982	468,155	7,566,323	339,273	2,216,932	2,168,060	48,872	1,840,090	1,760,080	80,010	1,406,302	376,552	34,665
February	13,850,674	13,376,873	473,801	7,603,838	343,283	2,226,421	2,176,817	49,604	1,847,281	1,766,367	80,914	1,418,147	376,942	34,762
March	13,961,809	13,465,340	496,469	7,656,332	357,134	2,241,077	2,188,236	52,841	1,861,972	1,775,478	86,494	1,432,060	378,348	34,886
April	14,057,718	13,549,261	508,457	7,702,270	363,878	2,253,653	2,199,026	54,627	1,877,229	1,787,277	89,952	1,445,017	380,602	35,069
May	14,148,567	13,635,468	513,099	7,752,618	365,558	2,265,762	2,210,630	55,132	1,889,211	1,796,802	92,409	1,457,644	382,462	35,312
June	14,261,828	13,740,278	521,550	7,812,999	370,787	2,279,907	2,223,531	56,376	1,903,451	1,809,064	94,387	1,471,340	387,858	35,486
July	14,375,965	13,840,326	535,639	7,875,367	380,069	2,294,600	2,236,210	58,390	1,912,691	1,815,511	97,180	1,484,927	392,711	35,600
Awarded, July 1960	187,596	165,557	22,039	84,042	13,628	32,192	28,786	3,406	30,543	25,538	5,005	18,983	7,834	374
	Monthly amount													
In current-payment status at end of—														
December:														
1948	$45,872.5	$45,872.5	...	$26,564.2	...	$4,307.3	$4,307.3	...	$7,549.0	$7,549.0	...	$4,331.0	$2,958.6	$162.2
1950	126,856.5	126,856.5	...	77,678.3	...	11,994.9	11,994.9	...	19,366.3	19,366.3	...	11,481.3	5,800.8	534.9
1952	205,179.0	205,179.0	...	130,217.4	...	19,178.4	19,178.4	...	28,141.3	28,141.3	...	18,482.2	8,272.7	887.0
1954	339,342.0	339,342.0	...	223,271.8	...	32,270.6	32,270.6	...	40,996.4	40,996.4	...	29,525.7	12,088.9	1,188.6
1956	482,592.9	482,592.9	...	322,536.8	...	48,325.6	48,325.6	...	50,323.7	50,323.7	...	45,780.0	14,262.2	1,364.8
November 1958 [5]	697,528.6	677,103.7	$20,424.9	459,201.1	$19,515.7	71,230.1	70,814.8	$415.2	64,130.2	63,636.3	$494.0	63,976.6	17,886.5	1,588.3
1959														
July	813,712.0	785,002.7	28,709.3	531,230.1	25,563.2	81,901.0	80,557.8	1,343.2	76,861.8	75,058.9	1,802.9	75,151.8	21,084.1	1,920.1
August	822,047.0	792,297.0	29,750.0	536,130.0	26,389.5	82,531.6	81,094.8	1,436.7	77,660.6	75,736.9	1,923.7	76,029.1	21,359.2	1,947.1
September	828,546.2	797,564.1	30,982.1	539,497.9	27,397.8	83,089.9	81,575.5	1,514.4	78,526.3	76,456.5	2,069.8	76,760.9	21,302.4	1,971.0
October	835,317.0	803,301.7	32,015.3	543,120.9	28,251.0	83,623.2	82,044.2	1,579.1	79,418.2	77,233.0	2,185.2	77,543.1	21,368.9	1,991.6
November	840,474.2	807,355.8	33,118.4	545,561.8	29,135.4	83,998.8	82,333.7	1,665.2	80,061.3	77,743.4	2,317.8	78,248.5	21,453.1	2,015.2
December	845,144.3	811,237.3	33,907.0	547,749.1	29,765.3	84,254.2	82,526.8	1,727.3	80,715.6	78,301.2	2,414.4	79,047.4	21,579.2	2,033.6
1960														
January	851,890.9	817,429.6	34,461.3	552,068.6	30,215.7	84,759.5	82,997.1	1,762.4	81,279.7	78,796.5	2,483.2	79,884.8	21,639.2	2,043.5
February	858,066.7	823,179.2	34,887.5	556,006.3	30,584.5	85,251.1	83,465.1	1,786.0	81,771.3	79,254.4	2,517.0	80,682.6	21,717.9	2,053.0
March	866,981.5	830,499.3	36,482.2	561,081.5	31,882.8	85,944.7	84,036.9	1,907.8	82,535.3	79,843.7	2,691.6	81,611.0	21,861.0	2,065.2
April	874,287.8	837,032.8	37,255.0	565,321.8	32,498.9	86,511.7	84,544.8	1,966.9	83,345.3	80,556.0	2,789.3	82,473.6	22,054.6	2,082.0
May	881,160.6	843,667.9	37,492.7	569,820.3	32,648.0	87,059.0	85,076.9	1,982.1	84,008.3	81,145.7	2,862.6	83,312.3	22,210.7	2,102.0
June	889,862.5	851,791.2	38,071.4	575,294.5	33,122.9	87,700.6	85,675.8	2,024.8	84,788.8	81,865.1	2,923.7	84,229.2	22,609.0	2,117.4
July	899,122.9	860,049.1	39,073.8	581,150.4	33,969.8	88,384.5	86,287.7	2,096.8	85,363.2	82,356.0	3,007.2	85,130.7	22,996.3	2,128.0
Awarded, July 1960	12,780.2	11,252.3	1,527.8	7,155.1	1,250.5	1,306.7	1,182.6	124.1	1,340.4	1,187.2	153.2	1,181.8	519.4	26.2

[1] For an explanation of the treatment of dual entitlements, see the *Bulletin* for April 1957, p. 29, table 4, footnote 1.

[2] Benefits under the old-age and survivors insurance (OASI) parts of the old-age, survivors, and disability insurance program are payable from the old-age and survivors insurance trust fund to old-age insurance (retired-worker) beneficiaries and their dependents and to survivors of deceased workers. Benefits under the disability insurance (DI) part of the program are payable from the disability insurance trust fund to disability insurance (disabled-worker) beneficiaries and their dependents.

[3] Monthly benefits to disabled workers aged 50–64.

[4] Includes benefits payable to disabled persons aged 18 or over—dependent children of disabled, deceased, or retired workers—whose disability began before age 18.

[5] To effect the benefit increases provided by the 1958 amendments, certain operations affecting statistical data on monthly benefits and lump sums awarded and monthly benefits in current-payment status were suspended for December 1958; the figures on benefits in current-payment status at the end of December 1958 are therefore not available.

TABLE 6.—*Old-age, survivors, and disability insurance: Number of monthly benefits withheld, by reason for withholding payment and type of benefit, June 30, 1960* [1]

[Based partly on 10-percent sample]

Reason for withholding payment [2]	Total	Old-age			Disability	Wife's or husband's				Widow's or widower's	Mother's	Parent's
		Total	Male	Female		Total	Aged wife's [3]	Young wife's [4]	Husband's			
Total	378,017	210,114	152,957	57,157	2,086	52,716	40,400	11,881	435	16,601	96,367	133
Covered or noncovered employment [5] of beneficiary in United States or covered employment [5] of beneficiary outside United States	307,726	196,202	142,158	54,044	----------	8,796	2,015	6,781	0	14,183	88,529	16
Noncovered employment [5] of beneficiary outside United States	722	454	363	91	----------	50	50	0	0	49	169	0
Covered or noncovered employment [5] in United States or covered employment [5] outside United States of old-age beneficiary on whose earnings benefit is based	39,582	----------	----------	----------	----------	39,582	35,966	3,191	425	----------	----------	----------
Noncovered employment [5] outside United States of old-age beneficiary on whose earnings benefit is based	119	----------	----------	----------	----------	119	79	30	10	----------	----------	----------
Failure to have care of an entitled child	6,375	----------	----------	----------	----------	1,212	----------	1,212	----------	----------	5,163	----------
Disabled person refused to accept rehabilitation services	0	----------	----------	----------	0	0	0	0	0	----------	0	----------
Determination of continuing disability pending	1,108	----------	----------	----------	973	135	19	116	0	----------	0	----------
Payee not determined	4,148	2,619	1,793	826	378	386	366	20	0	499	209	57
Administrative reasons	18,237	10,839	8,643	2,196	735	2,436	1,905	531	0	1,870	2,297	60

[1] Benefits withheld from (1) old-age (retired-worker) beneficiaries and their dependents, (2) survivor beneficiaries, and (3) disabled-worker beneficiaries and their dependents, for whom data are shown separately in table 8. Data for child's benefits withheld are not available for children of retired or deceased workers; for children of disabled workers they are shown in table 7.

[2] As provided under sections 203, 222, and 225 of the Social Security Act except for the reason "payee not determined," in which case benefit payments are accrued pending determination of guardian or appropriate payee.

[3] Wife aged 65 or over, or wife aged 62–64 with no entitled child in her care.

[4] Wife under age 65 with 1 or more entitled children in her care.

[5] Includes self-employment.

TABLE 7.—*Old-age, survivors, and disability insurance: Number of monthly benefits withheld from disabled-worker beneficiaries and their dependents, by reason for withholding payment and type of benefit, June 30, 1960* [1]

[Based partly on 10-percent sample]

Reason for withholding payment [2]	Total	Disability			Wife's or husband's				Child's
		Total	Male	Female	Total	Aged wife's [3]	Young wife's [4]	Husband's	
Total	6,060	2,086	1,718	368	3,422	96	3,326	0	552
Covered or noncovered employment [5] of beneficiary in United States or covered employment [5] of beneficiary outside United States	3,131	----------	----------	----------	2,988	29	2,959	0	143
Noncovered employment [5] of beneficiary outside United States	10	----------	----------	----------	10	10	0	0	0
Failure to have care of an entitled child	135	----------	----------	----------	135	----------	135	----------	----------
Disabled person refused to accept rehabilitation services	0	0	0	0	0	0	0	0	0
Determination of continuing disability pending	1,261	973	804	169	135	19	116	0	153
Payee not determined	480	378	308	70	10	0	10	0	92
Administrative reasons	1,043	735	606	129	144	38	106	0	164

[1] These data, except for child's benefits, are included in table 6.

[2] As provided under sections 103, 222, and 225 of the Social Security Act except for the reason "payee not determined," in which case benefit payments are accrued pending determination of guardian or appropriate payee.

[3] Wife aged 65 or over, or wife aged 62–64 with no entitled child in her care.

[4] Wife under age 65 with 1 or more entitled children in her care.

[5] Includes self-employment.

Table 8.—*Employment security: Selected data on nonfarm placements and unemployment insurance claims and benefits, by State, July 1960* [1]

State	Nonfarm placements	Initial claims		Weeks of unemployment covered by continued claims		Compensated unemployment					Average weekly insured unemployment [3]
						All types of unemployment [3]			Total unemployment		
		Total [2]	Women	Total	Women	Weeks compensated	Benefits paid [4]	Average weekly number of beneficiaries	Weeks compensated	Average weekly payment	
Total	[5] 490,833	1,425,828	547,534	6,950,937	2,670,675	5,847,811	$183,774,749	1,392,336	5,407,183	$32.37	1,686,427
Alabama	8,301	19,534	5,338	109,896	30,126	84,199	1,906,657	20,047	81,095	22.91	26,832
Alaska	725	1,026	554	5,258	1,550	3,897	132,240	928	3,710	34.38	1,096
Arizona	7,195	6,841	1,632	27,246	7,621	19,351	583,343	4,607	18,525	30.49	6,890
Arkansas	6,523	8,626	3,025	49,109	17,032	32,854	711,551	7,822	29,840	22.34	12,067
California	44,088	122,939	35,142	772,176	267,875	719,913	28,095,819	171,408	681,804	39.56	183,611
Colorado	12,749	5,013	973	25,502	7,966	22,313	807,289	5,313	20,527	37.18	6,370
Connecticut	7,243	37,851	19,150	147,648	73,068	111,269	3,712,650	26,493	105,617	34.21	35,425
Delaware	511	3,234	514	10,560	3,111	10,189	333,659	2,426	9,447	33.74	2,662
District of Columbia	4,055	2,865	1,037	18,232	7,550	14,602	375,973	3,477	14,240	25.92	4,341
Florida	15,061	31,836	13,283	153,172	63,269	114,568	3,022,976	27,278	109,489	26.79	37,035
Georgia	9,688	21,551	8,401	127,270	56,898	96,600	2,228,304	23,000	89,410	23.80	31,187
Hawaii	1,002	1,534	639	10,622	4,649	8,965	269,452	2,135	8,119	31.57	2,559
Idaho	6,063	3,467	2,639	12,366	6,907	8,601	270,549	2,048	8,218	31.69	3,197
Illinois	18,078	62,313	19,164	343,262	123,022	286,092	9,416,343	68,117	267,333	33.63	81,910
Indiana	668	41,567	10,598	141,257	46,044	110,825	3,295,337	26,387	101,360	30.82	37,474
Iowa	6,180	5,435	2,618	33,937	13,903	25,362	672,776	6,039	22,252	28.11	8,135
Kansas	7,303	6,518	1,717	38,851	12,485	37,895	1,268,146	9,023	35,751	34.04	9,321
Kentucky	4,509	14,417	3,349	105,555	30,751	80,102	2,161,469	19,072	73,794	27.90	25,666
Louisiana	5,361	16,728	3,083	107,603	19,543	94,693	2,778,776	22,546	87,824	30.18	25,790
Maine	2,721	6,522	3,058	39,402	21,507	32,439	694,304	7,724	30,773	21.55	9,572
Maryland	6,189	23,620	9,042	124,626	44,546	114,625	3,397,773	27,292	108,148	30.25	28,377
Massachusetts	12,209	63,965	35,759	282,509	143,414	247,206	8,085,960	58,859	213,045	35.09	66,992
Michigan	12,509	91,179	18,043	328,691	78,732	277,626	9,661,113	66,101	266,358	35.51	89,953
Minnesota	8,907	11,401	3,074	71,407	25,490	59,560	1,601,524	14,181	56,105	27.37	17,208
Mississippi	7,387	10,197	3,441	54,402	14,411	43,451	1,013,010	10,345	40,711	23.81	13,132
Missouri	7,581	34,179	13,256	137,832	45,538	99,263	2,634,215	23,634	87,057	28.24	32,804
Montana	4,876	2,760	717	14,492	5,755	13,921	370,483	3,315	13,921	26.41	3,168
Nebraska	4,920	2,253	1,112	12,006	6,780	10,303	290,722	2,453	9,835	28.88	2,675
Nevada	2,741	2,972	680	9,968	2,852	8,694	317,225	2,070	8,142	37.31	2,466
New Hampshire	2,716	4,598	2,427	22,585	13,510	18,778	469,545	4,471	17,254	25.98	5,605
New Jersey	11,872	71,075	38,970	314,710	177,177	285,421	8,996,973	67,957	253,006	32.37	76,212
New Mexico	3,425	5,244	714	26,773	567	22,046	631,735	5,249	20,729	29.23	5,480
New York	62,714	207,979	108,013	988,421	487,292	901,098	29,567,762	214,547	816,508	34.40	234,445
North Carolina	13,324	37,154	19,953	152,554	82,019	141,362	2,868,623	33,658	129,450	20.77	35,711
North Dakota	2,559	510	170	3,794	1,095	3,595	94,284	856	2,910	26.69	786
Ohio	16,284	82,380	17,527	416,173	110,419	349,658	14,052,955	83,252	329,402	40.93	102,760
Oklahoma	10,301	9,614	2,964	60,610	24,592	47,745	1,196,690	11,368	44,864	25.74	14,822
Oregon	10,244	10,936	3,423	44,366	16,677	33,796	1,105,880	8,047	30,898	33.53	10,662
Pennsylvania	18,547	164,779	68,298	764,097	266,916	616,294	18,212,274	146,737	564,724	30.68	186,881
Puerto Rico	2,619	798	307	9,348	3,817						
Rhode Island	1,653	17,741	10,881	49,521	28,054	43,167	1,170,088	10,278	39,770	28.05	12,725
South Carolina	7,398	13,216	5,646	56,074	25,982	41,775	905,209	9,946	39,296	22.09	13,878
South Dakota	2,276	425	142	2,728	1,609	2,223	59,552	529	2,019	27.66	648
Tennessee	9,720	20,585	8,969	131,963	55,602	99,457	2,253,089	23,680	92,206	23.21	31,844
Texas	38,879	33,901	8,963	206,618	62,672	173,887	4,128,242	41,402	163,841	24.16	48,761
Utah	3,124	3,616	695	16,203	6,146	12,064	368,015	2,872	11,177	31.30	4,156
Vermont	958	2,248	1,260	9,377	5,163	7,914	199,114	1,884	7,101	26.41	2,309
Virgin Islands	226	0	0	0	0						
Virginia	7,278	10,358	4,235	63,303	30,151	48,618	1,038,416	11,576	46,580	21.73	15,232
Washington	8,800	34,005	16,779	109,173	40,873	63,496	2,025,846	15,118	60,582	32.29	28,626
West Virginia	2,149	15,089	1,682	92,867	13,445	66,244	1,408,186	15,772	59,740	21.97	23,283
Wisconsin	11,928	16,381	4,308	89,813	32,961	74,490	2,717,617	17,736	67,760	37.12	22,479
Wyoming	1,456	853	170	5,009	1,541	5,305	195,016	1,263	4,916	37.62	1,202

[1] Excludes data for the Federal employees' unemployment compensation program, administered by the States as agents of the Federal Government.
[2] Excludes transitional claims.
[3] Total, part-total, and partial.
[4] Not adjusted for voided benefit checks and transfers under interstate combined-wage plan.
[5] Includes 40 placements made in Guam, not shown separately.

Source: Department of Labor, Bureau of Employment Security, and affiliated State agencies.

TABLE 9.—*Public assistance in the United States, by month, July 1959–July 1960* [1]

[Except for general assistance, includes vendor payments for medical care and cases receiving only such payments]

Year and month	Total [2]	Old-age assistance	Aid to dependent children: Families	Aid to dependent children: Recipients: Total [3]	Aid to dependent children: Recipients: Children	Aid to the blind	Aid to the permanently and totally disabled	General assistance (cases) [4]	Total	Old-age assistance	Aid to dependent children (recipients)	Aid to the blind	Aid to the permanently and totally disabled	General assistance (cases) [4]
	Number of recipients								Percentage change from previous month					
1959														
July	----------	2,413,938	772,222	2,911,086	2,233,672	109,443	341,355	370,000	--------	−0.2	−0.6	(5)	+0.6	−4.6
August	----------	2,407,910	771,156	2,910,596	2,235,272	109,325	342,616	380,000	--------	−.2	(5)	−0.1	+.4	+2.9
September	----------	2,404,265	771,931	2,917,419	2,241,727	109,291	344,477	393,000	--------	−.2	+.2	(5)	+.5	+3.3
October	----------	2,401,104	771,432	2,918,520	2,244,305	109,142	346,832	403,000	--------	−.1	(6)	−.1	+.7	+2.6
November	----------	2,397,937	773,091	2,926,331	2,251,394	109,094	348,206	413,000	--------	−.1	+.3	(5)	+.4	+2.5
December	----------	2,393,990	779,150	2,953,234	2,273,160	109,062	350,333	399,000	--------	−.2	+.9	(5)	+.6	−3.3
1960														
January	----------	2,387,398	781,354	2,964,725	2,281,892	108,881	352,038	413,000	--------	−.3	+.4	−.2	+.5	+3.4
February	----------	2,378,154	785,212	2,980,954	2,294,899	108,643	353,425	423,000	--------	−.4	+.5	−.2	+.4	+2.4
March	----------	2,372,645	792,773	3,012,690	2,319,749	108,223	356,121	436,000	--------	−.2	+1.1	−.4	+.8	+3.1
April	----------	2,365,399	796,340	3,027,918	2,332,109	107,785	358,286	410,000	--------	−.3	+.5	−.4	+.6	−5.9
May	----------	2,361,324	796,782	3,031,185	2,335,339	107,812	360,547	384,000	--------	−.2	+.1	(6)	+.6	−6.3
June	----------	2,358,600	794,435	3,023,410	2,330,202	107,979	362,832	367,000	--------	−.1	−.3	+.2	+.6	−4.6
July	----------	2,354,992	789,323	3,006,344	2,317,776	107,879	364,583	354,000	--------	−.2	−.6	−.1	+.5	−3.4
	Amount of assistance								Percentage change from previous month					
1959														
July	$299,870,000	$155,561,621	$82,658,813			$7,563,706	$21,586,726	$24,659,000	−1.0	−0.7	−0.6	+0.1	+0.4	−3.2
August	300,715,000	155,474,907	82,469,933			7,554,696	21,686,592	25,706,000	+.3	−.1	−.2	−.1	+.5	+4.2
September	304,703,000	155,909,481	83,445,777			7,541,305	21,945,382	27,341,000	+1.3	+.3	+1.2	−.2	+1.2	+6.4
October	307,947,000	157,581,948	83,768,710			7,535,895	22,237,528	28,587,000	+1.1	+1.1	+.4	−.1	+1.3	+4.6
November	308,626,000	157,126,976	84,187,394			7,547,728	22,265,642	28,725,000	+.2	−.3	+.5	+.2	+.1	+.5
December	309,918,000	157,667,820	85,688,459			7,775,486	22,644,994	27,764,000	+.4	+.3	+1.8	+3.0	+1.7	−3.3
1960														
January	312,155,000	159,082,935	86,096,235			7,869,131	22,680,221	28,196,000	+.7	+.9	+.5	+1.2	+.2	+1.6
February	314,328,000	159,281,445	86,623,543			7,807,304	22,826,994	29,135,000	+.7	+.1	+.6	−.8	+.6	+3.3
March	319,360,000	160,458,176	88,143,701			7,829,715	23,265,605	30,566,000	+1.6	+.7	+1.8	+.3	+1.9	+4.9
April	318,017,000	161,104,968	88,484,163			7,806,046	23,482,701	28,326,000	−.4	+.4	+.4	−.3	+.9	−7.3
May	315,113,000	160,536,798	88,319,223			7,813,157	23,591,593	25,823,000	−.9	−.4	−.2	+.1	+.5	−8.8
June	312,889,000	160,149,370	87,980,819			7,862,375	23,850,779	24,738,000	−.7	−.2	−.4	+.6	+1.1	−4.2
July	312,066,000	160,670,845	87,837,176			7,852,263	24,138,836	23,578,000	−.3	+.2	−.3	−.1	+.9	−4.7

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.

[2] Total exceeds sum of columns because of inclusion of vendor payments for medical care from general assistance funds and from special medical funds; data for such expenditures partly estimated for some States.

[3] Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

[4] Excludes Idaho; data not available.

[5] Decrease of less than 0.05 percent.

[6] Increase of less than 0.05 percent.

OASDI FINANCING

(*Continued from page 36*)

meet benefit disbursements for several decades, even under relatively high-cost experience.

Table 8 shows the estimated costs of the old-age and survivors insurance benefits and of the disability insurance benefits under the 1960 act as a percentage of payroll for selected years through 2050 and the level-premium cost of the two programs for the low-, high-, and intermediate-cost estimates.

SUMMARY

The old-age, survivors, and disability insurance program, as modified by the 1960 act, has an estimated benefit cost that is closely in balance with contribution income.

The separate old-age and survivors insurance system as modified by the 1960 act is about as close to actuarial balance, according to the intermediate-cost estimate, as it was under the 1958 act according to the latest cost estimates. As modified by the 1960 amendments, and also as modified by earlier amendments, it has been shown to be not fully self-supporting under the intermediate-cost estimate. It is, however, close to an exact balance, especially since a range of variation is necessarily present in the long-range actuarial cost estimates and rounded tax rates are used in actual practice. Accordingly, the old-age and survivors insurance program, under the 1960

TABLE 10.—*Amount of vendor payments for medical care for recipients of public assistance, by program and State, July 1960* [1]

State	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to the permanently and totally disabled	General assistance
Total	$24,827,094	$5,293,992	$668,817	$4,266,949	[2] $7,989,000
Alabama	*1,466*	*727*	*3*	*86*	100
Alaska	—	—	—	(3)	[4] 43,511
Arkansas	322,943	18,306	9,562	52,858	—
California	1,873,699	1,012,446	127,845	162,796	74,215
Colorado	982,986	40,570	2,319	17,135	95,536
Connecticut	331,093	177,912	5,679	110,379	(5)
Delaware	—	—	631	—	—
District of Columbia	24,577	49	—	10,911	—
Florida	433,488	25,375	8,488	71,415	—
Hawaii	10,816	23,460	494	8,487	—
Idaho	64,463	—	587	5,035	—
Illinois	2,492,046	576,904	66,440	427,915	[4] 596,450
Indiana	531,331	152,881	32,191	(3)	[4] 292,600
Iowa	245,724	67,845	9,002	—	[4] 261,906
Kansas	334,161	89,835	6,842	53,384	58,136
Louisiana	252,728	10,485	4,211	51,740	4,018
Maine	152,191	28,560	2,628	21,460	57,366
Maryland	50,426	78,701	1,418	5,906	—
Massachusetts	3,417,163	207,813	3,570	629,291	147,416
Michigan	676,989	210,848	15,205	97,192	210,523
Minnesota	1,707,079	196,456	34,739	12,108	249,222
Missouri	56,283	9,185	—	8,585	3,230
Montana	—	—	—	—	[4] 203,202
Nebraska	374,126	8,497	28,312	38,819	[4] 26,855
Nevada	15,438	—	1,110	(3)	[4] 137,575
New Hampshire	81,429	17,342	3,626	13,834	(5)
New Jersey	653,439	—	8	136,947	183,252
New Mexico	93,072	63,386	1,668	18,977	9,355
New York	2,855,798	1,186,056	120,653	1,172,943	239,741
North Carolina	71,485	34,750	11,187	39,892	[4] 227,877
North Dakota	275,670	36,788	1,180	52,374	[4] 19,538
Ohio	1,040,604	640	23,968	118,296	[4] 1,528,814
Oklahoma	1,069,404	6,414	22,332	112,248	(5)
Oregon	610,758	64,377	6,551	151,642	100,251
Pennsylvania	192,093	306,479	53,190	105,242	82,993
Rhode Island	101,610	84,871	1,342	43,245	[4] 46,284
South Carolina	29,757	11,775	1,403	11,909	9,182
South Dakota	—	—	—	—	[4] 116,501
Tennessee	59,964	30,689	2,488	13,806	—
Utah	38,969	49,416	200	11,645	212
Vermont	70,265	—	766	7,122	—
Virgin Islands	280	130	5	108	189
Virginia	121,916	—	5,559	34,983	[4] 13,356
Washington	1,379,848	178,217	16,195	183,418	65,077
West Virginia	95,784	98,763	2,634	28,752	[4] 7,804
Wisconsin	1,603,776	181,166	32,090	219,366	203,850
Wyoming	29,957	5,878	496	4,698	37,426

[1] For the special types of public assistance figures in italics represent payments made without Federal participation. For State programs not shown, no vendor payments were made during the month or such payments were not reported.

[2] Includes an estimated amount for States making vendor payments for medical care from general assistance funds and from special medical funds and reporting these data semiannually but not on a monthly basis.

[3] No program for aid to the permanently and totally disabled.

[4] Includes payments made in behalf of recipients of the special types of public assistance.

[5] Data not available.

act, is actuarially sound. The cost of the liberalized benefits is for all practical purposes met by the financing provided.

The disability insurance trust fund shows a small lack of actuarial balance under the 1960 act because the contribution rate allocated to this fund is slightly less than the cost for the disability benefits, based on the intermediate-cost estimate. In view of the variability of cost estimates for disability benefits and certain elements of conservatism believed to be present in these estimates, the small actuarial deficit is not significant.

TABLE 11.—*Average payment per recipient for all assistance, for money payments, and for vendor payments for medical care, by program and State, July 1960* [1]

State	Old-age assistance			Aid to dependent children (per recipient)			Aid to the blind			Aid to the permanently and totally disabled		
	All assistance [2]	Money payments to recipients [3]	Vendor payments for medical care [2]	All assistance [2]	Money payments to recipients [3]	Vendor payments for medical care [2]	All assistance [2]	Money payments to recipients [3]	Vendor payments for medical care [2]	All assistance [2]	Money payments to recipients [3]	Vendor payments for medical care [2]
All States	$68.23	$58.36	$10.54	$29.22	$27.54	$1.76	$72.79	$66.94	$6.20	$66.21	$55.25	$11.70
Alabama	53.01	52.99	*.01*	9.58	9.58	*.01*	39.56	39.56	(4)	36.27	36.26	*.01*
Alaska	64.72	64.72	—	32.37	32.37	—	71.75	71.75	—	(5)	(5)	(5)
Arizona	61.40	61.40	—	30.24	30.24	—	72.07	72.07	—	(5)	(5)	(5)
Arkansas	52.03	46.26	5.80	16.13	15.40	.74	56.71	51.98	4.73	39.08	31.80	7.31
California	87.94	81.14	7.36	45.64	42.01	3.77	106.62	98.11	9.35	94.28	80.28	17.35
Colorado	102.02	82.67	19.36	33.45	32.02	1.43	80.33	72.25	8.08	69.98	66.93	3.05
Connecticut	114.15	92.94	22.99	47.35	40.96	7.06	104.47	85.16	19.32	138.02	90.14	49.97
Delaware	49.95	49.95	—	22.82	22.82	—	68.44	65.96	2.48	67.31	67.31	—
District of Columbia	64.74	59.36	7.85	33.84	33.84	(4)	68.34	68.34	—	74.81	72.38	3.87
Florida	56.42	50.44	6.25	16.62	16.34	.29	60.64	57.59	3.36	63.37	56.31	7.72
Georgia	47.28	47.28	—	23.71	23.71	—	52.60	52.60	—	51.81	51.81	—
Guam	24.77	24.77	—	12.44	12.44	—	(6)	(6)	—	(6)	(6)	—
Hawaii	64.33	56.74	7.60	33.97	31.42	2.55	70.38	64.20	6.18	77.18	68.87	8.31
Idaho	69.18	60.36	8.88	40.32	40.32	—	72.79	69.21	3.58	73.16	68.42	4.81
Illinois	77.87	47.04	34.13	39.28	35.54	3.85	82.07	61.94	22.11	82.90	61.76	23.12
Indiana	63.26	45.03	19.40	28.08	25.07	3.62	75.92	60.22	17.43	(5)	(5)	(5)
Iowa	81.27	75.15	7.21	36.94	35.61	2.00	97.68	92.21	6.32	82.02	82.02	—
Kansas	79.73	68.65	11.82	36.37	32.81	3.83	83.94	73.55	11.37	83.37	71.58	12.68
Kentucky	50.30	50.30	—	24.03	24.03	—	51.58	51.58	—	53.06	53.06	—
Louisiana	71.41	69.44	2.02	23.76	23.68	.10	81.96	80.58	1.53	55.91	52.89	3.13
Maine	66.70	53.70	13.00	27.47	26.06	1.41	64.53	58.53	6.00	68.60	58.60	10.00
Maryland	61.92	56.69	5.23	29.54	27.32	2.22	64.99	61.92	3.07	64.85	63.92	.92
Massachusetts	97.84	55.42	43.60	44.34	40.42	4.25	111.10	110.73	1.66	120.93	64.08	61.02
Michigan	76.89	65.78	11.11	37.64	35.43	2.21	81.26	72.72	8.54	99.37	79.00	20.38
Minnesota	89.08	53.98	36.74	44.63	39.39	5.67	99.30	67.60	32.99	61.39	58.17	5.03
Mississippi	34.60	34.60	—	9.41	9.41	—	38.72	38.72	—	34.41	34.41	—
Missouri	60.10	59.64	.49	22.92	22.83	.09	65.00	65.00	—	62.19	61.69	.56
Montana	63.55	63.55	—	32.91	32.91	—	71.27	71.27	—	72.08	72.08	—
Nebraska	72.47	47.78	25.15	29.84	29.14	.80	89.23	55.90	34.07	71.05	50.19	21.19
Nevada	74.79	68.85	5.94	26.60	26.60	—	98.83	92.87	5.97	(5)	(5)	(5)
New Hampshire	77.74	60.87	16.91	41.11	36.83	4.34	80.26	65.58	14.68	94.58	62.18	32.40
New Jersey	90.10	62.14	34.52	46.29	46.29	—	85.81	85.89	.01	94.91	77.83	19.84
New Mexico	68.09	59.55	8.54	31.66	29.59	2.07	62.47	58.00	4.47	66.34	58.60	7.74
New York	107.73	76.50	34.96	42.29	38.16	4.50	115.09	85.64	31.46	103.47	74.49	32.05
North Carolina	42.98	41.50	1.48	19.54	19.20	.34	54.89	52.84	2.16	49.03	46.91	2.12
North Dakota	93.17	58.50	38.06	39.61	35.47	5.29	71.57	60.65	12.16	103.38	62.46	44.88
Ohio	76.03	65.40	11.68	29.90	29.90	.01	72.52	65.91	6.83	70.88	61.49	9.65
Oklahoma	79.43	67.45	11.98	31.62	31.52	.10	97.79	85.70	12.09	89.16	77.21	11.95
Oregon	86.61	53.10	35.86	40.46	38.08	3.25	97.62	73.54	24.63	96.88	69.35	30.53
Pennsylvania	68.35	64.51	3.84	31.58	29.96	1.62	74.06	71.07	2.99	60.84	54.85	5.99
Puerto Rico	8.22	8.22	—	3.86	3.86	—	8.19	8.19	—	8.73	8.73	—
Rhode Island	80.27	65.27	15.00	37.34	32.09	5.25	80.30	69.30	11.00	84.16	69.21	15.00
South Carolina	38.92	37.99	.93	14.29	13.98	.32	43.60	42.81	.82	42.88	41.35	1.53
South Dakota	62.22	62.22	—	31.19	31.19	—	59.44	59.44	—	64.30	64.30	—
Tennessee	42.33	41.23	.10	18.83	18.45	.38	47.46	46.56	.90	45.98	44.48	1.50
Texas	52.91	52.91	—	17.30	17.30	—	58.48	58.48	—	54.33	54.33	—
Utah	71.72	66.74	4.98	38.60	34.63	3.97	72.34	71.34	1.00	77.17	72.25	4.92
Vermont	63.67	51.04	12.65	30.55	30.55	—	62.62	57.03	5.59	64.13	56.25	7.88
Virgin Islands	23.63	23.16	.51	13.80	13.66	.14	(6)	(6)	(6)	26.41	25.41	1.00
Virginia	44.34	38.14	8.40	21.04	21.04	—	54.59	51.25	4.50	49.66	45.55	5.55
Washington	85.84	61.03	28.37	46.70	42.26	4.48	94.87	74.47	22.81	93.40	70.09	26.65
West Virginia	39.09	34.13	4.96	24.41	23.17	1.24	41.45	38.87	2.58	41.53	37.63	3.91
Wisconsin	84.39	41.54	45.69	43.45	39.36	5.27	84.82	53.44	33.08	108.06	45.49	65.78
Wyoming	70.95	62.01	9.20	36.09	33.75	2.33	71.37	64.52	7.87	72.11	63.11	9.12

[1] Averages for general assistance not computed because of difference among States in policy or practice regarding use of general assistance funds to pay medical bills for recipients of the special types of public assistance. Figures in italics represent payments made without Federal participation.

[2] Averages based on cases receiving money payments, vendor payments for medical care, or both.

[3] May also include small amounts for assistance in kind and vendor payments for other than medical care. Averages based on number of cases receiving money payments.

[4] Less than 1 cent.

[5] No program for aid to the permanently and totally disabled.

[6] Average payment not computed on base of fewer than 50 recipients.

Table 12.—*Old-age assistance: Recipients and payments to recipients, by State, July 1960* [1]

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients: Total amount	Payments to recipients: Average	Percentage change from June 1960 in—: Number	Percentage change from June 1960 in—: Amount	Percentage change from July 1959 in—: Number	Percentage change from July 1959 in—: Amount
Total [2]	2,354,992	$160,670,845	$68.23	−0.2	+0.2	−2.4	+3.1
Ala	99,028	5,249,137	53.01	+.1	(3)	−1.1	+16.2
Alaska	1,424	[4] 92,166	64.72	−.9	−.8	−2.2	+3.3
Ariz	14,034	861,679	61.40	+.5	+.1	+.9	−.1
Ark	55,717	2,898,962	52.03	(3)	−1.7	−.5	+5.3
Calif	254,687	22,398,117	87.94	−.2	−2.8	−2.4	+2.1
Colo. [2]	50,785	5,181,266	102.02	−.2	+3.3	−1.8	+1.8
Conn	14,402	1,644,017	114.15	−.2	+4.4	−2.1	−.4
Del	1,282	64,030	49.95	−.9	−1.0	−8.9	−6.9
D. C	3,129	202,584	64.74	+1.0	+.4	−3.3	−2.9
Fla	69,387	3,914,771	56.42	−.2	−1.0	−.9	+4.2
Ga	96,440	4,559,736	47.28	(5)	(5)	−1.6	−1.9
Guam	73	1,808	24.77	(6)	(6)	(6)	(6)
Hawaii	1,424	91,610	64.33	−.3	(5)	−4.7	+1.2
Idaho	7,258	502,101	69.18	−.7	−.1	−3.5	+4.2
Ill	73,016	5,685,872	77.87	−.4	+5.0	−5.8	+5.3
Ind	27,391	1,732,887	63.26	−.4	+.1	−6.3	+.6
Iowa	34,081	2,769,756	81.27	−.5	−.7	−4.9	+6.1
Kans	28,267	2,253,810	79.73	−.5	−.8	−3.7	−.6
Ky	56,261	2,829,650	50.30	+.3	+9.5	−1.6	+14.6
La	125,247	8,943,592	71.41	+.1	−.1	+.5	+8.6
Maine	11,707	780,884	66.70	−.1	−1.6	−1.5	+1.1
Md	9,637	596,713	61.92	+2.4	+2.6	+.1	+4.1
Mass	78,368	7,667,747	97.84	−.4	−1.7	−4.0	−.2
Mich	60,929	4,684,776	76.89	−.4	−.2	−5.5	−3.3
Minn	46,468	4,139,524	89.08	−.6	−.2	−3.4	+.4
Miss	79,976	2,767,386	34.60	+.1	+16.5	−.9	+15.1
Mo	115,358	6,932,785	60.10	−.3	−.2	−2.9	+4.3
Mont	6,770	430,255	63.55	−1.6	−2.3	−6.7	−5.8
Nebr	14,876	1,078,051	72.47	−.2	+1.5	−4.8	+1.1
Nev	2,600	194,454	74.79	0	+4.9	−1.4	+6.8
N. H	4,816	374,416	77.74	−.6	−.3	−5.2	+2.8
N. J	18,927	1,705,254	90.10	+.1	−.2	−.8	+1.4
N. Mex	10,[illegible]00	742,206	68.09	+.7	+.6	+3.3	+8.3
N. Y	81,690	8,800,331	107.73	−.6	−.8	−4.2	+1.7
N. C	48,301	2,076,092	42.98	−.1	+.2	−3.7	+.8
N. Dak	7,243	674,829	93.17	+.1	+9.2	−2.1	+6.8
Ohio	89,079	6,772,318	76.03	−.2	+1.5	−1.0	+12.1
Okla	89,295	7,092,495	79.43	−.2	−.1	−2.4	+1.5
Oreg	17,031	1,475,083	86.61	+.7	+16.3	−3.6	+21.0
Pa	49,995	3,417,182	68.35	(5)	+.3	(5)	+.4
P. R	39,143	321,926	8.22	−.2	−.4	−3.0	−2.5
R. I	6,774	543,771	80.27	+.6	+3.0	−2.6	+1.9
S. C	32,079	1,248,399	38.92	−.4	−10.9	−5.1	−2.2
S. Dak	8,789	546,818	62.22	−.6	+.3	−4.3	+.9
Tenn	54,513	2,307,580	42.33	−.2	−2.8	−3.8	−6.2
Tex	221,645	11,727,263	52.91	(5)	(5)	−.6	+1.0
Utah	7,824	561,160	71.72	−.5	−1.6	−3.9	+5.1
Vt	5,556	353,769	63.67	−.7	+.3	−5.2	+5.4
V. I	552	13,043	23.63	−1.6	−1.7	−4.3	−3.6
Va	14,507	643,227	44.34	−.2	−.1	−4.3	+2.7
Wash	48,637	4,175,087	85.84	−.4	−2.0	−6.4	−4.8
W. Va	19,314	754,961	39.09	−.3	−.2	−5.0	−6.1
Wis	35,104	2,962,512	84.39	−.4	+1.6	−4.2	+6.3
Wyo	3,256	230,997	70.95	+.1	−1.6	−5.6	−4.6

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.
[2] Includes 3,685 recipients aged 60–64 in Colorado and payments of $330,733 to these recipients. Such payments were made without Federal participation.
[3] Increase of less than 0.05 percent.
[4] In addition, supplemental payments of $17,825 from general assistance funds were made to 63 recipients.
[5] Decrease of less than 0.05 percent.
[6] Percentage change not computed on base of fewer than 100 recipients.

Table 13.—*Aid to the blind: Recipients and payments to recipients, by State, July 1960* [1]

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients: Total amount	Payments to recipients: Average	Percentage change from June 1960 in—: Number	Percentage change from June 1960 in—: Amount	Percentage change from July 1959 in—: Number	Percentage change from July 1959 in—: Amount
Total [2]	107,879	$7,852,263	$72.79	−0.1	−0.1	−1.4	+3.8
Ala	1,600	63,294	39.56	−.6	(3)	−3.3	+8.1
Alaska	106	7,606	71.75	0	−.1	(4)	(4)
Ariz	854	61,549	72.07	+1.3	+1.0	+2.5	+2.1
Ark	2,021	114,608	56.71	−.3	−.1	−.3	+7.2
Calif. [2]	13,674	1,457,971	106.62	−.6	−1.1	−3.0	+.3
Colo	287	23,055	80.33	+1.1	−.3	−5.9	−1.9
Conn	294	30,715	104.47	0	+7.9	−3.9	−16.0
Del	254	17,385	68.44	+2.4	−2.1	−1.6	−1.9
D. C	225	15,376	68.34	0	−2.6	−3.0	−3.2
Fla	2,525	153,104	60.64	(3)	−1.4	−.9	+2.0
Ga	3,567	187,637	52.60	0	+.2	+.8	+.9
Guam	5	101	(4)	(4)	(4)	(4)	(4)
Hawaii	80	5,630	70.38	(4)	(4)	(4)	(4)
Idaho	164	11,938	72.79	−1.8	−2.1	−4.1	+.4
Ill	3,005	246,616	82.07	+.1	+.1	−3.2	+.1
Ind	1,847	140,231	75.92	+1.3	+3.9	−2.7	+4.0
Iowa	1,425	139,198	97.68	−.6	−.3	−2.9	+8.2
Kans	602	50,532	83.94	0	+1.7	+.2	+5.1
Ky	2,442	125,951	51.58	+.7	+16.5	−22.6	−9.3
La	2,759	226,126	81.96	+.3	+.5	+5.3	+13.6
Maine	438	28,265	64.53	−.5	−.5	−4.4	−10.5
Md	462	30,025	64.99	+1.3	+1.7	+3.4	+5.6
Mass	2,150	238,871	111.10	0	−11.6	+.1	−5.7
Mich	1,780	144,643	81.26	+.6	+.1	−1.5	+3.8
Minn	1,053	104,566	99.30	−.4	+3.8	−4.8	−.6
Miss	6,376	246,847	38.72	−.6	−.4	+5.1	+5.4
Mo. [2]	5,077	330,005	65.00	(3)	(3)	−2.1	−2.1
Mont	322	22,948	71.27	−7.7	−13.7	−9.6	−8.5
Nebr	831	74,148	89.23	−1.2	−.5	−10.5	−7.6
Nev	186	18,383	98.83	+1.1	+.3	+9.4	+9.7
N. H	247	19,824	80.26	0	−1.2	+4.7	+10.0
N. J	944	81,000	85.81	+1.0	+.6	+2.4	+5.5
N. Mex	373	23,301	62.47	−1.8	−2.4	−5.1	−7.0
N. Y	3,835	441,359	115.09	−1.6	+2.9	−4.1	+4.6
N. C	5,182	284,415	54.89	+.2	−.3	+.4	+5.6
N. Dak	97	6,942	71.57	(4)	(4)	(4)	(4)
Ohio	3,507	254,318	72.52	−.2	−1.7	−4.6	+5.1
Okla	1,847	180,622	97.79	−.5	−.2	−1.9	+2.0
Oreg	266	25,966	97.62	+.4	+19.1	−2.2	+13.3
Pa. [2]	17,777	1,316,593	74.06	+.3	+.3	+1.5	+17.4
P. R	1,912	15,661	8.19	+.4	−.5	+1.9	+1.0
R. I	122	9,796	80.30	−.8	+5.6	−.8	+5.8
S. C	1,711	74,601	43.60	+.2	−5.3	−1.2	+2.5
S. Dak	166	9,867	59.44	0	−2.5	0	+3.0
Tenn	2,765	131,216	47.46	−.1	+.1	−3.4	−4.7
Tex	6,362	372,019	58.48	(5)	+.2	−.3	+2.2
Utah	201	14,540	72.34	+.5	+1.8	−2.0	+7.7
Vt	137	8,579	62.62	0	−.3	+1.5	+5.9
V. I	19	497	(4)	(4)	(4)	(4)	(4)
Va	1,235	67,416	54.59	+.2	+1.0	+1.3	+7.2
Wash	710	67,357	94.87	−1.8	−2.5	−6.1	−6.7
W. Va	1,020	42,280	41.45	+.5	+2.3	−3.0	−8.4
Wis	970	82,274	84.82	+.1	−2.0	−4.3	−3.2
Wyo	63	4,496	71.37	(4)	(4)	(4)	(4)

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.
[2] Data include recipients of payments made without Federal participation and payments to these recipients as follows: California, $38,501 to 325 recipients; Missouri, $48,705 to 738 recipients; and Pennsylvania, $792,802 to 11,411 recipients.
[3] Decrease of less than 0.05 percent.
[4] Average payment not computed on base of fewer than 50 recipients; percentage change, on fewer than 100 recipients.
[5] Increase of less than 0.05 percent.

TABLE 14.—*Aid to dependent children: Recipients and payments to recipients, by State, July 1960* [1]

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from—			
					Average per—		June 1960 in—		July 1959 in—	
		Total [2]	Children	Total amount	Family	Recipient	Number of recipients	Amount	Number of recipients	Amount
Total	789,323	3,006,344	2,317,776	$87,837,176	$111.28	$29.22	−0.6	−0.3	+3.3	+6.1
Alabama	21,206	85,160	66,658	816,253	38.49	9.58	−.6	+.3	−4.2	+30.7
Alaska	1,207	4,169	3,137	134,942	111.80	32.37	−1.4	−1.6	+5.9	+19.1
Arizona	7,438	29,674	22,739	897,453	120.66	30.24	+1.3	+.9	+12.6	+10.5
Arkansas	6,546	24,715	19,365	398,706	60.91	16.13	−8.6	−9.4	−5.1	−5.2
California	75,433	268,385	210,462	12,248,751	162.38	45.64	(3)	−.4	+6.1	+6.2
Colorado	7,291	28,324	22,223	947,493	129.95	33.45	−.4	+.6	+5.1	+9.0
Connecticut	7,420	25,189	18,902	1,192,754	160.75	47.35	+.3	+3.0	+5.6	+4.6
Delaware	1,602	6,152	4,750	140,373	87.62	22.82	−1.1	−1.6	−1.0	−2.4
District of Columbia	4,650	20,748	16,426	702,092	150.99	33.84	+1.5	+2.1	+22.6	+24.5
Florida	24,249	88,552	69,532	1,471,744	60.69	16.62	−3.0	−3.5	−13.3	−11.2
Georgia	15,022	55,634	43,087	1,319,347	87.83	23.71	−1.3	−1.3	−2.5	−3.0
Guam	103	601	503	7,474	72.56	12.44	+8.9	+15.3	+42.4	+55.3
Hawaii	2,365	9,211	7,331	312,892	132.30	33.97	−1.6	−.4	−4.3	−3.1
Idaho	2,141	7,930	5,847	319,715	149.33	40.32	+.5	−.1	+14.0	+14.0
Illinois	35,752	149,791	116,079	5,883,278	164.56	39.28	+.6	+1.1	+6.0	+7.7
Indiana	11,456	42,197	31,955	1,185,048	103.44	28.08	−.5	+.6	+1.2	+2.2
Iowa	9,174	33,887	25,562	1,251,786	136.45	36.94	(3)	−1.1	+5.0	+7.9
Kansas	6,133	23,437	18,442	852,296	138.97	36.37	+.7	−.6	+8.3	+10.8
Kentucky	20,388	73,245	55,052	1,759,797	86.32	24.03	+.8	+12.4	−2.4	+16.5
Louisiana	24,943	102,288	79,410	2,430,809	97.45	23.76	−.7	−1.0	+3.7	+12.4
Maine	5,712	20,192	14,933	554,727	97.12	27.47	−1.2	−1.3	+2.4	+2.4
Maryland	8,512	35,498	27,899	1,048,467	123.18	29.54	−1.2	−.9	+.5	+4.4
Massachusetts	14,418	48,919	36,809	2,169,022	150.44	44.34	−.1	+1.7	+2.3	+6.4
Michigan	26,683	95,454	70,250	3,592,564	134.64	37.64	(3)	+.2	−.9	−4.5
Minnesota	10,059	34,666	26,989	1,547,002	153.79	44.63	−.4	−1.9	+5.4	+9.5
Mississippi	19,864	76,972	60,395	724,081	36.45	9.41	−.1	−11.4	+6.2	−6.2
Missouri	26,330	100,186	75,937	2,296,562	87.22	22.92	−2.1	−2.2	+2.5	−1.7
Montana	1,826	6,855	5,404	225,581	123.54	32.91	−2.2	−3.3	+.6	−.8
Nebraska	2,791	10,605	8,129	316,430	113.38	29.84	−.6	−.3	+2.4	+10.6
Nevada	1,165	3,963	3,097	105,430	90.50	26.60	+2.4	+3.1	+18.3	+17.1
New Hampshire	1,052	3,992	3,004	164,131	156.02	41.11	−1.8	−.5	−1.2	+.5
New Jersey	14,960	52,150	39,519	2,414,012	161.36	46.29	+1.9	+1.9	+42.5	+43.0
New Mexico	7,799	30,687	23,722	971,567	124.58	31.66	+1.0	+1.0	+9.6	+15.9
New York	66,402	263,756	199,807	11,155,489	168.00	42.29	−.4	−.6	+3.1	+5.9
North Carolina	25,844	102,205	78,908	1,997,234	77.28	19.54	−4.0	−4.0	+1.5	+1.9
North Dakota	1,855	6,953	5,439	275,374	148.45	39.61	+.5	+3.6	+7.1	+11.2
Ohio	26,461	105,428	80,554	3,152,697	119.15	29.90	+.8	+1.2	+11.1	+18.7
Oklahoma	17,993	63,929	48,587	2,021,454	112.35	31.62	−.5	−.3	+5.8	+5.9
Oregon	5,677	19,818	14,926	801,850	141.25	40.46	−6.3	+.5	+7.4	+12.0
Pennsylvania	47,905	188,893	143,791	5,966,020	124.54	31.58	−.4	+.1	+8.0	+9.8
Puerto Rico	56,658	216,967	174,190	837,653	14.78	3.86	+.9	+.1	+10.6	+5.9
Rhode Island	4,424	16,166	12,193	603,608	136.44	37.34	+.7	+4.3	−.2	+3.8
South Carolina	9,366	37,276	29,456	532,843	56.89	14.29	−1.7	−8.6	−1.6	+.3
South Dakota	3,160	10,976	8,247	342,322	108.33	31.19	+.3	+1.2	+3.2	+10.1
Tennessee	21,921	81,186	61,423	1,528,754	69.74	18.83	−.5	−1.4	+.5	+1.1
Texas	19,604	81,573	62,305	1,411,539	72.00	17.30	−2.7	−2.3	−17.8	−16.6
Utah	3,443	12,452	9,317	480,611	139.59	38.60	−1.0	−1.3	+3.4	+16.5
Vermont	1,264	4,520	3,393	138,104	109.26	30.55	−.3	−.4	+1.9	+1.7
Virgin Islands	262	919	767	12,685	48.42	13.80	−.3	−1.8	+16.8	+35.6
Virginia	9,418	37,708	29,700	793,441	84.25	21.04	−.8	−.6	+2.3	+4.8
Washington	11,551	39,766	30,995	1,857,176	160.78	46.70	−1.1	−.7	+1.2	+2.2
West Virginia	20,377	79,540	62,088	1,941,475	95.28	24.41	−.9	−1.0	+1.1	−2.5
Wisconsin	9,349	34,366	26,221	1,493,363	159.74	43.45	−.5	−2.5	+3.7	+5.0
Wyoming	699	2,519	1,920	90,905	130.05	36.09	−1.6	−3.0	−5.0	−9.1

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.

[2] Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

[3] Decrease of less than 0.05 percent.

Table 15.—*Aid to the permanently and totally disabled: Recipients and payments to recipients, by State, July 1960* [1]

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients: Total amount	Payments to recipients: Average	Percentage change from— June 1960 in— Number	June 1960 in— Amount	July 1959 in— Number	July 1959 in— Amount
Total	364,583	$24,138,836	$66.21	+0.5	+0.9	+6.8	+11.5
Ala	12,285	445,519	36.27	+.3	+.7	−2.4	+6.0
Ark	7,229	282,509	39.08	+.4	−.6	+2.3	+7.6
Calif	9,384	884,681	94.28	+2.8	+3.6	+41.0	+52.8
Colo	5,613	392,813	69.98	+.1	+1.6	+.6	+7.6
Conn	2,209	304,891	138.02	+1.8	+9.2	+1.1	+9.8
Del	356	23,962	67.31	−1.9	−.4	+2.9	+6.4
D. C	2,818	210,822	74.81	+1.4	+.3	+5.5	+6.7
Fla	9,246	585,940	63.37	+.4	−.4	+11.3	+18.0
Ga	21,647	1,121,627	51.81	+.6	+.6	+12.9	+12.6
Guam	44	1,013	(2)	(2)	(2)	(2)	(2)
Hawaii	1,021	78,799	77.18	+.4	−.2	−4.7	−1.4
Idaho	1,047	76,599	73.16	+1.2	+1.2	+6.6	+11.9
Ill	18,505	1,533,998	82.90	+.5	+.6	+3.9	+7.9
Iowa	410	33,628	82.02	+10.2	+10.0	(3)	(3)
Kans	4,210	351,001	83.37	−.3	−1.5	+.6	+2.5
Ky	7,740	410,682	53.06	+1.2	+17.5	−3.8	+15.7
La	16,512	923,206	55.91	+.1	−.7	+7.7	+12.0
Maine	2,146	147,215	68.60	+.1	+.3	+13.7	+10.1
Md	6,388	414,243	64.85	+3.4	+2.9	+13.4	+13.1
Mass	10,313	1,247,105	120.93	−.3	−1.1	+3.0	+11.0
Mich	4,770	474,006	99.37	+.5	−1.4	+11.6	+9.0
Minn	2,409	147,883	61.39	−.6	−.1	+8.5	+8.3
Miss	11,809	406,374	34.41	+1.1	+14.7	+31.3	+50.7
Mo	15,408	958,264	62.19	+.4	+.7	−.4	+6.8
Mont	1,249	90,024	72.08	−2.4	−3.3	−12.6	−10.3
Nebr	1,832	130,166	71.05	+.7	−.2	+17.1	+16.4
N. H	427	40,386	94.58	0	+1.2	+8.1	+14.4
N. J	6,904	655,274	94.91	+1.2	+2.3	+13.0	+13.4
N. Mex	2,451	162,598	66.34	+.2	+.2	+8.1	+9.1
N. Y	36,593	3,786,174	103.47	−.4	−.8	−3.0	+1.0
N. C	18,817	922,687	49.03	+.2	+.5	+4.4	+7.2
N. Dak	1,167	120,644	103.38	−.2	+13.3	+8.7	+22.0
Ohio	12,265	869,309	70.88	+.9	−2.7	+14.0	+17.0
Okla	9,392	837,370	89.16	+.6	+1.0	+4.9	+9.4
Oreg	4,967	481,214	96.88	+1.7	+20.4	−.5	+18.9
Pa	17,575	1,069,304	60.84	+.5	+.5	+7.9	+9.5
P. R	22,251	194,231	8.73	−.7	−.9	+2.5	+2.2
R. I	2,883	242,637	84.16	+1.2	+1.5	+5.0	+8.7
S. C	7,781	333,647	42.88	−.1	−10.5	−.8	+22.4
S. Dak	1,152	74,079	64.30	−.3	+.3	+5.6	+10.3
Tenn	9,204	423,208	45.98	+.7	−1.6	+15.6	+15.2
Tex	6,378	346,247	54.33	+2.1	+2.1	+21.1	+24.5
Utah	2,368	182,740	77.17	+.7	−.1	+8.1	+15.4
Vt	904	57,974	64.13	−.3	−.7	+9.4	+17.4
V. I	108	2,852	26.41	+.9	+.1	+5.9	+10.3
Va	6,308	313,243	49.66	(4)	−.4	+3.3	+8.6
Wash	6,882	642,811	93.40	+1.0	−3.6	+10.9	+5.9
W. Va	7,361	305,718	41.53	−.1	−.2	−.2	−2.0
Wis	3,335	360,382	108.06	+3.6	+7.6	+153.2	+132.9
Wyo	515	37,137	72.11	−1.3	+.8	−2.3	−2.7

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.
[2] Average payment not computed on base of fewer than 50 recipients; percentage change, on fewer than 100 recipients.
[3] Program initiated January 1, 1960.
[4] Increase of less than 0.05 percent.

Table 16.—*General assistance: Cases and payments to cases, by State, July 1960* [1]

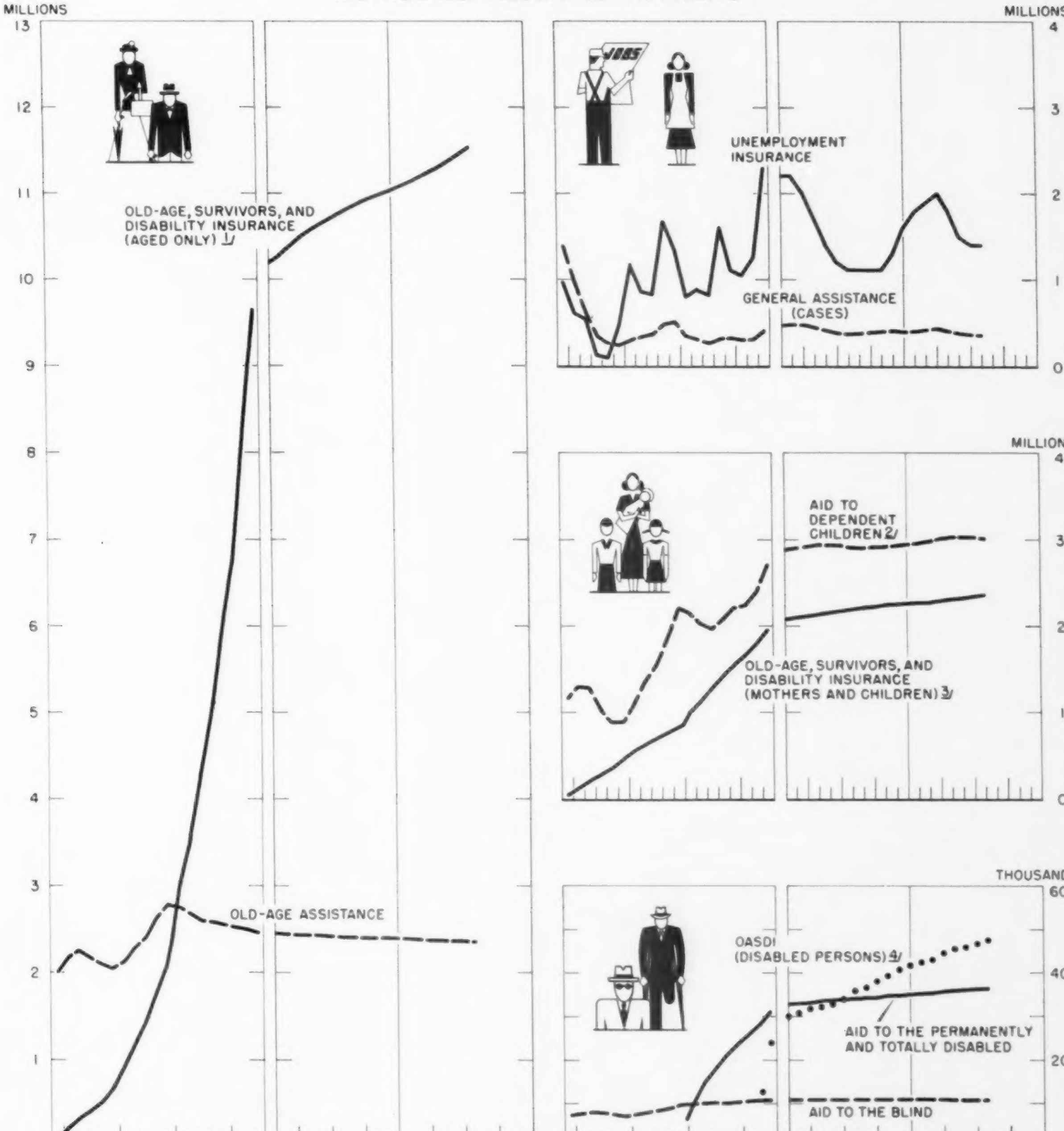
[Excludes vendor payments for medical care and cases receiving only such payments]

State	Number of cases	Payments to cases: Total amount	Payments to cases: Average	Percentage change from— June 1960 in— Number	June 1960 in— Amount	July 1959 in— Number	July 1959 in— Amount
Total [2]	354,000	$23,578,000	$66.52	−3.4	−4.7	−4.1	−4.4
Ala	67	864	12.90	(3)	(3)	−40.7	−41.9
Alaska	147	9,281	63.14	−19.7	−20.6	−18.3	−11.9
Ariz	3,206	160,753	50.14	−7.2	−7.3	+10.5	+28.0
Ark	339	4,768	14.06	+31.9	+32.9	+17.3	+15.0
Calif	32,807	1,982,505	60.43	−2.2	−1.9	−1.8	+2.6
Colo	1,217	53,435	43.91	−3.3	+.5	+11.9	+13.7
Conn	[4] 4,446	[4] 3[illegible]981	68.37	−2.8	−10.0	+1.0	−1.2
Del	1,537	[illegible],805	62.98	+.5	−1.0	−1.6	+.9
D. C	1,313	97,377	74.16	−4.2	−3.6	−4.2	−2.7
Fla. [5]	9,700	313,000	------	------	------	------	------
Ga	2,300	61,622	26.79	+3.9	+4.0	+9.9	+15.8
Guam	2	35	(3)	(3)	(3)	(3)	(3)
Hawaii	1,027	75,743	73.75	−5.5	−7.1	−18.0	−19.0
Ill	40,927	3,788,666	92.57	−5.4	−7.8	−11.9	−9.0
Ind. [6]	16,790	581,053	34.61	−2.0	−2.2	−12.8	−.5
Iowa	3,715	135,015	36.34	−1.7	−1.5	+7.0	+9.5
Kans	2,248	147,009	65.40	−3.6	−2.7	+15.5	+21.7
Ky	1,941	72,222	37.21	−3.6	+9.0	−5.6	−11.8
La	8,285	424,799	51.27	−1.7	−1.7	−8.3	−3.5
Maine	2,835	81,021	28.58	+27.1	−6.7	+29.7	+.6
Md	2,738	177,266	64.74	−1.5	−.6	+9.4	+17.5
Mass	7,513	472,514	62.89	−1.9	−9.8	−14.4	−19.9
Mich	27,568	2,545,121	92.32	−2.0	−8.7	−18.2	−24.5
Minn	7,172	491,272	68.50	−7.7	−13.2	+2.0	+3.1
Miss	1,026	15,186	14.80	−2.8	−.5	−8.6	−6.7
Mo	8,857	465,888	52.60	+1.2	−11.8	+8.8	−11.2
Mont	1,025	46,497	45.36	−.5	−.1	−5.4	+.4
Nebr	992	49,226	49.62	−8.1	−13.8	−9.2	−7.4
Nev	249	11,945	47.97	−6.0	+19.6	−6.7	+4.9
N. H	707	34,751	49.15	−4.1	−7.9	−1.7	−9.8
N. J. [6]	7,697	791,861	102.88	−5.3	−5.2	−20.1	−18.7
N. Mex	726	31,568	43.48	+9.2	+8.4	+27.4	+32.8
N. Y	[7] 33,405	3,011,623	90.15	−3.9	−3.4	−7.1	−5.0
N. C	1,848	48,755	26.38	−5.9	+1.4	+8.5	+24.8
N. Dak	289	14,391	49.80	−24.5	−15.6	−10.0	−10.2
Ohio	31,263	2,247,673	71.90	−2.4	−3.3	−4.8	+3.5
Okla	6,836	88,690	12.97	−19.5	−34.6	+7.0	+7.6
Oreg	4,857	278,503	57.34	+17.9	+32.1	+32.7	+33.4
Pa	38,318	2,794,188	72.92	−1.2	(8)	+10.6	+15.3
P. R	757	5,601	7.40	−68.5	−68.3	+3.8	−2.9
R. I	2,881	196,707	68.28	+2.3	+12.2	−13.2	−12.7
S. C	1,537	48,924	31.83	−2.4	−2.2	+27.2	+70.9
S. Dak	272	8,368	30.76	−10.8	−18.7	−11.1	−14.0
Tenn	1,942	32,343	16.65	−3.2	−11.7	+1.4	+15.4
Tex. [9]	8,200	236,000	------	------	------	------	------
Utah	1,651	110,128	66.70	−2.5	−9.3	−1.1	−3.0
Vt. [9]	1,050	48,000	------	------	------	------	------
V. I	108	2,713	25.12	−.9	+1.5	−3.6	+2.8
Va	1,721	71,732	41.68	−11.9	−14.2	−.9	+3.5
Wash	9,019	647,538	71.80	−10.4	−10.7	+4.2	+1.9
W. Va	2,300	71,872	31.25	+.8	−.4	−10.8	−14.2
Wis	6,754	562,400	83.27	−4.4	−2.7	−7.9	−2.0
Wyo	315	19,720	62.60	−5.7	−2.9	−4.5	−.3

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.
[2] Partly estimated; does not represent sum of State figures because total excludes for Indiana and New Jersey an estimated number of cases receiving medical care, hospitalization, and burial only and payments for these services. Excludes Idaho; data not available.
[3] Average payment not computed on base of fewer than 50 cases; percentage change, on fewer than 100 cases.
[4] About 9 percent of this total is estimated.
[5] Partly estimated.
[6] Includes an unknown number of cases receiving medical care, hospitalization, and burial only and total payments for these services.
[7] Includes cases receiving medical care only.
[8] Decrease of less than 0.05 percent.
[9] Estimated on basis of reports from sample of local jurisdictions.

Social Security Operations*

INDIVIDUALS RECEIVING PAYMENTS



*Old-age, survivors, and disability insurance: beneficiaries receiving monthly benefits (current-payment status); annual data represent average monthly number. Public assistance: monthly number of recipients under all State programs; annual data, average monthly number. Unemployment insurance: average weekly number of beneficiaries for the month under all State laws; annual data, average weekly number for the year.

[1] Receiving old-age, wife's or husband's, widow's or widower's, or parent's benefit.

[2] Children plus 1 adult per family when adults are included in assistance group; before October 1950 partly estimated.

[3] Receiving mother's benefit, wife's benefit payable to young wives with child beneficiaries in their care, or child's benefit payable to children under age 18.

[4] Disabled workers aged 50–64 or disabled dependent children aged 18 or over of retired, disabled, or deceased workers.

NOTE: Data for payments and data for individuals receiving payments appear in alternate months.

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